THE ECONOMIC IMPACT OF THE ENTREPRENEUR IMMIGRANT PROGRAM

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TABLE OF CONTENTS

Page

Summary

Introduction 1

1. Canadian Entrepreneur Immigration Policy 3
   - 1.1 Canada's Present Entrepreneur Immigration Program 3
   - 1.2 The Evolution of Canada's Entrepreneur Immigration Program 6
   - 1.3 A Note on Data 11

2. Entrepreneur Immigration to Canada 15
   - 2.1 Trends in the Number of Principal Applicants 15
   - 2.2 Trends in the Number of Dependants 17
   - 2.3 The Origins and Destinations of Canada's Business Immigrants 17

3. The Economic Impact of Entrepreneur Immigration 21
   - 3.1 Socio-Economic Characteristics of Entrepreneur Immigration 21
   - 3.2 Job Creation by Entrepreneur Immigrants 23
   - 3.3 Industries Established by Entrepreneur Immigrants 29
   - 3.4 Funds to be Transferred to Canada by Entrepreneur Immigrants 33
   - 3.5 The Economic Impact of Entrepreneurs' Origins 37

4. The Future of the Entrepreneur Immigrant Program 41
   - 4.1 Provincial Perspectives on Entrepreneur and Investor Immigration 41
   - 4.2 Conclusions 43

Appendix I 49

Appendix II 51

References 53

Tables 57

SUMMARY

The current entrepreneur immigrant program has its origins in legislation passed in 1978, and since January 1984 has been designed to attract individuals who will benefit the economy by creating or continuing businesses that employ at least one Canadian. Since the government seeks to enlarge this program, it is important to evaluate its progress.

This report shows that the program has had some positive effects. According to their business proposals, over 28,000 jobs were to be created or retained by the 4,647 entrepreneur immigrants who received visas between 1984 and 1986, representing an average of over six intended jobs per entrepreneur. The businesses they planned to establish were predominantly in the goods-producing sector and not in the services-producing area, a problem that had dogged the 1979-1984 experience. Entrepreneur immigrants have also stated intentions to transfer large amounts of capital to this country. By 1983/84, estimates indicate that they were intending to transfer about 25 per cent of all funds transferred annually by immigrants to Canada while comprising only four per cent of total annual immigration. Those entrepreneurs granted visas in 1986 proposed to transfer over $1.2 billion to Canada, a figure that considerably exceeded the total spending for 1985/86 by the Department of Regional Industrial Expansion on all its regional industrial development programs ($803.6 million).

However, closer examination of these apparent successes raises questions. The most important, perhaps, concerns the regional disparities concealed within the overall achievements of the program. Entrepreneur immigrants intended to create or retain over 14,000 jobs in Ontario between 1984 and 1986, but only three jobs in Newfoundland over the same period. Ontario received 45 per cent of the funds to be transferred during the same years, while Newfoundland received only 0.01 per cent of the total. The effects of entrepreneur immigration are not only regionally unequal, but they are also accelerating the differences between the have and the have-not provinces and are therefore acting against one of the overall goals of Canada's immigration policy.

The second issue is that entrepreneur immigrants are not the only immigrants to make an important contribution to the Canadian economy, especially in terms of funds transferred and jobs created. The report estimates that for the year 1983/84 immigrants other than those in the entrepreneur program brought with them funds amounting to over $2 billion. With respect to job creation, little recent data on other immigrants are available, and more research is needed on this issue. However, the Longitudinal Study of the Economic and Social Adaptation of Immigrants did indicate, in work published in 1981, that members of a sample of self-employed immigrants landed in 1969 had, on average, created six jobs each within a period of three years. However, the fact that this was during a period of economic growth must limit the comparisons that can be made with current data on job creation by entrepreneur immigrants.

These difficulties lead to a number of proposals, which are set out in the report. First, it is essential that a comprehensive, continuing and publicly available monitoring survey be

developed, so that issues such as long-term employment creation effects and the survival rates of businesses established by entrepreneur immigrants can be evaluated. Only then can the wider economic ramifications of the program be assessed completely and the results disseminated more widely.

Second, the economic importance of all immigrants, not just entrepreneur immigrants, must be recognized in developing Canada's immigration policy. Individuals admitted for purposes of family reunification or for humanitarian reasons can also make a valuable contribution to the economy. This hidden bonus should not be forgotten when changes are contemplated in the numbers of each class of immigrant admitted into this country.

Third, entrepreneur immigrants' business skills, foreign language abilities and ties abroad may prove to provide the real long-term benefits of the program – suggesting perhaps that some consideration might be given to placing more emphasis on these qualities in determining eligibility for entrepreneur immigration.

Finally, the roots of the regional disparities in the program must be tackled. The basic problem is that 70 per cent of all entrepreneur immigrants intend to live in Montreal, Toronto and Vancouver. It is possible that regional incentives or a modified point system may be able to attract entrepreneurs to the more peripheral or needy parts of the country. Such changes might prevent the entrepreneur immigrant program from continuing to exacerbate Canada's regional economic development problems.

THE ECONOMIC IMPACT OF THE ENTREPRENEUR IMMIGRANT PROGRAM

Introduction

From time to time items appear in newspapers concerning the success of enterprises established by newly-landed entrepreneur immigrants. A garment works is reopened in Newfoundland, a small light engineering plant is begun in Calgary, farms in Prince Edward Island and stores from Toronto to Vancouver are established. These enterprises are described as creating employment for many people in the area and are seen in a favourable light in these reports (Critchley 1986; *Citizen* 1987a; Ross and Freeman 1987; Wood 1987).

Government immigration policy has also increasingly come to look on the immigration of entrepreneurs in the same way. The Standing Committee of the House of Commons on Labour, Employment, and Immigration recommended in 1985 that

> in 1986 any overall increase in immigration levels should focus on those immigrants who can contribute to Canada's economic growth and create jobs.

and that

> When the economic consideration is paramount in increasing the immigration level, then the fundamental principle should be the active recruitment of people who are either self-supporting, or who can clearly contribute to the growth of the Canadian economy (Employment and Immigration 1985d, 15).

The federal government responded by agreeing that "business immigration will be strongly encouraged as one element of the program among several which serve Canada's interests . . ." (Employment and Immigration 1985d, 15). Their policy is clearly outlined in federal documents on business immigration. Thus,

> The federal government encourages the recruitment and selection of business immigrants – entrepreneurs and self-employed persons – with funds to invest in Canadian enterprises, since the injection of new capital and the creation of job opportunities for Canadians are obviously beneficial to the economy of Canada (Employment and Immigration, Policy and Program Development Branch 1984, 27).

In attempting to evaluate this program and its policies, it is clear there are two questions to confront: is it true that entrepreneur immigration is as successful, in economic terms, as its proponents believe? Second, is it also true that the successes of entrepreneur immigrants surpass those of other immigrants? The answers to these questions will allow an evaluation of the appropriateness of policy.

The next four sections of this paper examine these issues. The first section considers the nature and evolution of the program. The second describes the volume of immigration that

the program has encouraged and its temporal and geographical characteristics. The third section focuses on the economic attainments of the entrepreneur program and examines job creation, the amount of funds transferred to Canada, the types of industries established and their location across the country. The fourth and concluding section examines provincial views on the program before presenting a series of policy recommendations.

It must be noted here that for much of its early history, entrepreneur immigration was intimately bound up with the business immigration program in general, a program which has come to comprise three components: entrepreneur, self-employed and investor immigration. This necessitates the inclusion of the self-employed and the investor immigrant components in some of the following analysis. However, a detailed treatment of these two components is not to be found here, although it will be necessary to comment briefly on the investor program since its future development will affect the entrepreneur program.

SECTION 1: CANADIAN ENTREPRENEUR IMMIGRATION POLICY

1.1 Canada's Present Entrepreneur Immigration Program

Canadian immigration policy has three broad areas of concern: family reunification, humanitarian issues, and Canada's economic growth (Seward 1987,3). Within the latter, there has been a traditional concern to encourage the immigration of individuals to Canada who can contribute necessary and desired skills to the economy. The rationale for both the promotion of Prairie farming in Europe to attract settlers in the nineteenth century and today's point system, used to ensure that the immigration of Independent Class migrants fulfils current Canadian needs (see Section 1.2), is the desire to enhance and develop the Canadian economy, although of course twentieth-century methods have introduced refinements in the selection of individuals and focus on specific needs in the economy. The development of the business immigration program since 1978 is but an extension of this tradition of tailoring immigration to Canadian needs, in this case the emphasis being on enhancing the country's entrepreneurial sector.

The clearest statement of the goals and objectives of the current business immigration program can be found in a report of the Employment and Immigration Commission entitled *Business Immigrants 1985*, which states:

> The objective of the business immigration program is to promote, encourage and facilitate the immigration of experienced business persons from abroad who will make a positive contribution to the country's economic development by applying their risk capital and know-how to Canadian business ventures which create jobs for Canadians . . .
>
> The regulations and directives governing this program are designed to stimulate the economy by drawing a premium movement of qualified entrepreneurs whose business acumen and significant financial commitment will have a positive impact on job creation for Canadians . . .
>
> This expansion to the business program . . . will allow the Commission to become more responsive to the preferences of the provinces in terms of industrial and economic development (Employment and Immigration 1985b, 1, 5).

Thus, the goals of the program are to encourage the immigration to Canada of those who will enhance

1. job creation;
2. the commitment of risk capital to business;
3. business know-how;
4. industrial development;
5. economic development; and
6. provincial industrial and economic development.

Indeed, these goals in many ways echo one of the objectives of the *Immigration Act* itself, which is

> to foster the development of a strong and viable economy and the prosperity of all regions in Canada. (1976 *Immigration Act*, Part 1, Section 3 (h), quoted in Marrocco and Goslett 1986, 8).

The ability to identify and select such entrepreneurs had already existed under the Regulations applying to the Independent Class. The present desire to encourage such movements more explicitly can be attributed to the growing interest in small business as an agent of economic development, the desire to enhance the economic value of the immigration program and, by no means least, the knowledge that Hong Kong's transfer of power was encouraging entrepreneurs in that colony to find alternative places to live and invest.

Currently, the business immigration program has three separate components: the self-employed, the entrepreneur and the investor – the last one being the most recent addition to the program. All three require that a person admitted to Canada have a proven track record in business. However, each has a different set of criteria for eligibility for immigration to Canada. Entrepreneurs are required to establish and manage businesses that will create or retain at least one job for a Canadian; self-employed persons are required to create their own jobs; and investors must have a personal net worth of $500,000 and are required to commit at least $250,000 for a three-year period to an investment that contributes to business development and job creation (Employment and Immigration 1985b, 1). However, it is necessary to be aware of the detailed regulatory definitions for each component; these are set out in Appendix I. These Regulations also acknowledge the federal-provincial division of power with respect to overall control of immigration and it is important to note here how this is recognized in the operation of the business immigration program.

Section 95 of the *Constitution Act, 1867* establishes concurrent federal and provincial powers in the areas of immigration and agriculture. An agreement signed by Canada and the province of Quebec in 1978 (the Cullen-Couture agreement) accorded special immigration powers to Quebec. The practical application of both the Constitution and the Cullen-Couture agreement to the business immigration program can be described in the following way.

A prospective immigrant initially submits a business proposal to the federal visa officer abroad to enable him/her to determine the appropriate method of admission. The proposal is then referred to the relevant province for advice "concerning the viability of a proposed business or investment and its contribution to the developmental needs of the province. To some extent, this may include an opinion as to the capability of the applicant to carry on a business venture" (Employment and Immigration 1986c, Sec. IS 5.15(7)). In the case of Quebec, provincial officials abroad are involved in initial contact with the applicant, evaluation of the business proposal and selection.

In principle the final decision on admissibility to Canada is made by federal officials. In reality it is highly unlikely an entrepreneur would be accepted for admission to Canada and allowed to establish a business in a province that had advised against acceptance of his/her business proposal. In the event of disagreement between provincial officials and the visa officer as to the benefits and feasibility of a business proposal, the Regional Entrepreneurial Coordinator (federal immigration officer in the region) will be called upon to mediate (Employment and Immigration 1986c, Sec. 1S 5.54(3)(h)). Once again, Quebec differs in that

the province has the final right of refusal or acceptance of the application of an entrepreneur immigrant.

Under the current business immigration program, the overall number of principal applicants landing in Canada rose from 1,556 in 1980 to 2,189 in 1986. Within this total, entrepreneur immigration increased from 213 in 1980 to 1,675 in 1986, and self-employed immigration declined from 1,343 to 509 over the same period. Overall, a total of 13,527 business immigrants landed between 1980 and 1986. Detailed data on these changes are presented in Tables 1 and 2. Table 1 also notes totals for investor immigrants, but since this category of business immigration has existed only since January 1986, it is difficult to analyze the little information available. It is clear that the five investor immigrants recorded in 1986 represented a very small proportion (0.2 per cent) of total business immigration in that year. Data available for the first five months of 1987 also show a similar position, with five investors representing almost 0.6 per cent of the total of 910. Nevertheless, while the numbers are very small, the 1987 data do indicate that investor immigration has increased slightly, both in absolute and in percentage terms, over the period of observation. Moreover, current evidence does suggest that this increase will continue, if only because some applications made in 1986 have not yet been processed. Thus, by the end of April 1987, there were 121 investor immigrant applications being processed at Canadian posts abroad while a further 47 investors had been issued visas (Employment and Immigration, Policy and Program Development Branch 1987a).

When the number of principal applicant business immigrants is combined with the number of their dependants a better picture of the total number admitted is obtained. Between 1980 and 1986 a total of 43,996 principal applicants and their dependants were admitted to Canada under the business immigration program. In terms of the three components, over the same period, the total number of principal applicants and dependants admitted under the entrepreneur regulations increased from 719 to 5,865, while the total number admitted under the self-employed component declined from 4,397 to 1,629. For the investor component, the new legislation has seen a total of 23 dependants and principal applicants landed in 1986, and data for the first five months suggest that this figure will be surpassed in 1987 (see Table 3).

It may be useful to place these changes in business immigration in the context of Canada's total immigration during the same period. Three trends are apparent in this overall flow (see Table 4). First, there was a consistent decline in the annual number of immigrants admitted between 1980 and 1985. Second, 1986 marked an increase in totals for the first time in recent years and saw the initiation of a new policy phase, reflecting a return to increased levels of immigration (Seward 1987, 2-3). Third, the effects of the 1982 restrictions on independent immigrants had marked effects on the relative sizes of the various immigrant classes and categories.

Placed against this backdrop, changes in the annual level of business immigration take on added significance. Thus, the program represented only 3.6 per cent of all immigrants in 1980, ranking fifth in terms of classes and categories, between the Assisted Relatives (9.5 per cent) and the smallest category, the Retired (1.1 per cent). By 1986, however, Business immigrants represented 7.6 per cent of all immigrants and surpassed the Retired (1.8 per cent) and Assisted Relatives (5.9 per cent). Their share of total immigration had therefore

more than doubled and they had risen to fourth in terms of class and category rank, after the Family Class (42.5 per cent), Refugees (19.3 per cent) and Other Independents (22.8 per cent).*

The large percentage increase in the number of Business immigrants occurred because the rise in their absolute numbers that took place over this period happened at the same time that the rest of the immigration program was being reduced. In other words, one result of the policies that led to these changes is that business immigration now occupies a more important place in the total immigration program than its absolute increase in numbers might indicate.

The 1986 increase in general immigration levels altered the situation somewhat. Thus, although the business immigration figures have increased by over a thousand since 1985, the category's share of total immigration has fallen by 0.1 per cent, because overall immigration increased by almost 15,000 between 1985 and 1986. However, it seems unlikely that this heralds a decline in business immigration in the near future, since the 1987 target levels place that program at between 10.4 per cent and 9.6 per cent of a total projected immigration of between 115,000 and 125,000 (Employment and Immigration 1986a, 3).

1.2 The Evolution of Canada's Entrepreneur Immigration Program

Four phases can be identified in the development of Canada's business immigration program, and each marks a further refinement of the program:

1. The first period, between 1967 and 1978, was concerned simply to identify business people for immigration selection.

2. From 1978 to 1983 the program was focused by the introduction of new policy and procedural guidelines, which enabled the identification, counselling and selection of two components of business people: the entrepreneur and the self-employed.

3. In January 1984, the program was augmented by the adoption of procedures designed to attract highly-qualified entrepreneurs.

4. The investor component was introduced as the third division of the program in January 1986.

William Marr notes that although business immigration "probably started in the 1950s, it was with the point system of 1967 that this program became a specific element in the class of independent immigrants" (1985, 3). The point system itself was first introduced in 1967 and although still in use today it has seen many modifications. In its original form, it had the

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* Currently, there are three classes of immigrants: Family; Convention Refugees and Members of Designated Classes (hereafter called simply Refugees); and Independent. The Independent Class is divided into the following categories: Retirees, Assisted Relatives, Business immigrants and Other Independent immigrants. With certain exceptions, principal applicants in the Assisted Relatives and Other Independent Categories are termed 'selected workers' (Policy and Program Development Branch 1987c, 30). The Business immigrant category is further divided into Entrepreneurs, Self-Employed Persons and Investors, divisions that are referred to as 'components' in this paper.

following features. It was required that independent applicants earn 50 or more of the 100 potential units of assessment (points) available under the system to qualify for admission. The entrepreneur was one of the categories of independent immigrant eligible for admission under the 1967 point system and was required to show that he or she had sufficient funds to establish a viable business in Canada. Like other independent applicants under the 1967 point system they were assessed under the criteria of education and training (a maximum of 20 points), arranged employment/designated occupation (10 points), location (5 points), age (10 points), knowledge of the official languages (10 points), personal suitability (15 points) and close relatives (5 points). They were not, however, assessed under the categories of occupational demand and occupational skill; instead they automatically received 25 units of assessment in lieu of any points they might have received for these factors (Marr 1985, 3-4).

In April 1978 greater focus was brought in with a introduction of the business immigration program and with a modification of the point system as it applied to entrepreneurs. The program was designed to bring into Canada experienced entrepreneurs who intended and had the ability either to establish new businesses or to purchase substantial interests in existing Canadian businesses. Under the legislation, the proposed business had to employ at least five Canadians other than the entrepreneur (the "principal applicant") and his or her dependants and make a significant contribution to the Canadian economy. The entrepreneur was also required to be active in the management of the business (Marr 1985, 5; Policy and Program Development Branch 1984, 2). For the first time the Act had specifically designated business immigration as a separate category within the overall immigration program and had defined the entrepreneur and self-employed components within it.

The 1978 legislation provided procedural guidelines to aid visa officers in distinguishing business applications that could be approved. Thus, referral procedures – established jointly with the provinces – were put into place so that the business proposals required from prospective business immigrants could be adequately assessed overseas. Visa officers responsible for this review were also able to use a range of admission methods that were not available in the case of non-business applicants: unconditional landing, conditional landing, and early admission with a Minister's Permit. The former constituted permanent residence without terms or conditions as to the establishment of the business enterprise, while conditional entry defined a temporary entry of five and a half months to allow for the removal of any doubts concerning the applicant's business proposal. Early admission was granted if it was felt there was an urgent need for the applicant's presence in Canada (Policy and Program Development Branch 1984, 2; Marr 1985, 6). Thus, the 1978 legislation introduced most of the structure and principles seen in the current legislation.

It must be noted that under the 1978 legislation prospective entrepreneur immigrants still had to be assessed against the point system in order to qualify fully for admission.* However, the exemptions allowed in entrepreneur cases since 1967 themselves also were modified by the April 1978 legislation. Entrepreneur immigrants were now to be assessed on their occupational skills (in terms of experience), but continued to be exempt from the

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* The point system itself had been changed since 1967, in terms of the allocation of points and the designation of factors. By April 1978 independent applicants except retirees were assessed on the following criteria: education (a maximum of 12 points), specific vocational preparation (15 points), experience (8 points), occupation demand (15 points), arranged employment/designated occupation (10 points), location (5 points), age (10 points), knowledge of English and French (10 points), personal suitability (10 points), relative in Canada (5 points) (Marr 1985, 8).

occupational demand criterion. In addition, the arranged employment/designated occupation factor was made no longer applicable in their case (Marr 1985, 4-7). In this way, their selection was encouraged. Nevertheless, despite the development of these program initiatives, applications from entrepreneurs were given fourth priority, in terms of processing, by the 1978 regulations. They came after Family Class members, Refugees, and selected workers (Policy and Program Development Branch 1984, 2).

The economic downturn of the early 1980s, and concerns about increasing high unemployment (see Section 3.1) led to a re-examination of immigration policy in general. As a result, a "zero-occupational demand" restriction was placed on selected workers, effective 28 April 1982. More important, a new provision was introduced in the same year requiring all principal applicants in the Independent Class to have a validated job offer in Canada as a condition of entry (Kerr 1986, 6-7; Seward 1987, 2). Since neither restriction applied to business immigrants, these steps encouraged the increased immigration of these individuals. Then, in November 1982, a policy review of business immigration was initiated to see how the program could be used more effectively to promote economic activity and create employment for Canadians.

The first result of this extensive review was that certain administrative guidelines were added to the procedures in January 1983 in order to facilitate processing of business immigrants. These included:

(i) actively encouraging business applicants to make exploratory visits to their intended destinations before they finalized their applications;

(ii) promoting the use of employment authorizations in cases where the province had doubts about the applicant's ability or intentions but the visa officer thought they were sound, or *vice versa*; and

(iii) naming a co-ordinator in each Canada Employment and Immigration Commission (CEIC) region as a contact person for visa posts overseas and for provincial authorities who had queries about an application.

These steps were aimed at improving the quality of the proposals, while other moves speeded up the actual processing of applications (such as provincial referral occurring at the same time as normal admissibility screening) (Wong, Schutz and Crone 1985, 2; Marr 1985, 6). At the same time, the Minister of Immigration announced the intention to promote the program vigorously abroad to tap more fully the potential that was believed to exist (Policy and Program Development Branch 1985, 1).

The second result of the review was the formal implementation of a new entrepreneurial immigration program in January 1984, after extensive consultations between Employment and Immigration and the provinces, other federal departments and private sector bodies. The new policy directives were aimed at enlarging the definition of those eligible under the program and increasing the speed of their processing (Wong, Schutz and Crone 1985, 3). Most important, new legislation redefined the components of business immigration. An entrepreneur immigrant was now defined as a person:

(i) who must intend and be able to establish or purchase, or make a substantial investment in a business venture in Canada whereby employment opportunities will be created or continued for one or more Canadian citizens or permanent residents, other than the entrepreneur and his or her dependants,

(ii) whose business must make a significant economic contribution, and

(iii) who must participate actively in the management of the business.

A higher processing priority was also given to entrepreneur immigrants – they were assigned third place, after Family Class and Refugee immigrants (Marr, 1985, 8). In addition to expanding the potential pool of people who might be eligible for entrepreneur status by dropping the minimum employment threshold from five Canadians to one, the redefinition also necessitated the alteration of the previous definition for a self-employed person. The Regulations were altered in the 1984 legislation to define such an individual as

> an immigrant who intends and has the ability to establish a business in Canada and will create an employment opportunity for himself and that will make a significant contribution to the economy, or to the cultural and artistic life of Canada (Policy and Program Development Branch 1984, 27).

The new entrepreneur program administrative guidelines emphasized the need for a more careful selection of entrepreneurs, a new provisional admission procedure to supplement the unconditional and conditional visa alternatives, and a national monitoring system to ensure that entrepreneurial immigration offered significant benefits to Canada. As a result, the new program features included:

(i) the designation of visa officers at key posts abroad as Entrepreneurial Development Officers (EDOs), having formal training in project analysis and cash flow forecasting, who could knowledgeably counsel and select entrepreneurs. By May 1985, 15 key posts had such officers, while by October 1985, 59 EDOs were in place (Policy and Program Development Branch 1984, 28; Employment and Immigration 1985c, 3);

(ii) provisional admission for entrepreneurs who had received favourable consideration but who had not produced a firm business proposal or made a commitment to one. Permanent resident status could be received within two years or as soon as a business was established that met employment, management and regional development criteria; and

(iii) the introduction of monitoring measures (Wong, Schutz and Crone 1985, 4-5).

The first feature of the program meant that visa officers abroad now were able to evaluate entrepreneurs' business proposals in a professional manner and thus ensure that a higher quality of applicant was admitted. The second introduced a measure that continued the rationale of the conditional category of landing previously available. The present Regulations seek to accomplish the third feature with respect to entrepreneurs and investors, by requiring the completion of Entrepreneur Monitoring forms (IMM 1427), by obtaining

information from investment syndicates and business ventures, and by immigration officers (usually in consultation with provincial officials) closely following the progress of conditionally-landed entrepreneurs (Employment and Immigration 1986c, IS 5.44, 5.54, updated June 1987). It is unfortunate that, at the time of writing, these practices have yet to result in a publicly-available data set, because this would be invaluable in evaluating the program.

In July 1984 a further feature was added at the request of the Saskatchewan government to permit groups of "associated entrepreneurs" to be considered. Each member of such a group could either participate directly in the management of the project or would be required to possess sufficient additional funds to undertake a future separate venture that would enable each individual entrepreneur to meet the management requirements of the Regulations. Associate entrepreneurs taking a management role would be issued unconditional visas, while those providing only equity capital were to be granted provisional admission on a Minister's Permit. It was argued that this measure – which was introduced initially on a one-year pilot basis – was necessary to give the provinces added scope to attract entrepreneurs who could provide substantial equity to business ventures that a province considered important to its regional economic development plans (Wong, Schutz and Crone 1985, 5).

This feature marked the genesis of what was to become on 1 January 1986 the third component of the business immigrant program – the investor component. Indeed, it replaced the Associate Entrepreneur Pilot project, and project managers admitted under the pilot program could have the projects redesigned to meet the Regulations of the new investor component (Employment and Immigration 1985b, 1).

The investor component was designed for qualified business people with a higher net worth than those in the entrepreneur component who might not want to be actively involved in the management of a business. Indeed, investors are not required to participate actively in the ventures related to their selection for admission to Canada (Employment and Immigration 1985b, 1). Individuals are required to have a personal net worth of $500,000 or more and to commit at least $250,000 for a minimum of three years to an investment that will contribute to business development and job creation. The Regulations require that

(i) the project be assessed by the province concerned as being of significant benefit to its economy;

(ii) the investment proposal has the relevant provincial government's support;

(iii) the funds be invested in
   a) a business or commercial venture;
   b) a privately-administered investment syndicate, supported by the province in which the syndicate will make investments; or
   c) a government-administered venture capital fund, targeted to business development.

In terms of program development, the investor category gives Employment and Immigration the legislative base to accommodate risk ventures that provinces consider

important to their regional economic development. In addition, a select group can be chosen who possess the substantial capital necessary to expand Canadian industry and who were not being attracted by the previous program design (Policy and Program Development Branch 1987, 1; Employment and Immigration 1985b, 2-3). The program got off to an inauspicious start, however; detailed guidelines were not available to the provinces and were still not available at the time of writing. The introduction of a regulatory definition of investor, and the adoption of their own detailed guidelines by the major provinces involved has gone some way to ameliorating this situation (Employment and Immigration 1986c, IS 5.15, updated August 1987).

Other changes implemented in January 1986 included the introduction of business visas, valid for one year, to facilitate the admission of business people who wish to visit Canada to oversee their investments or businesses. The provisional admission category was replaced entirely by the conditional category, so that a streamlined approach resulted. Entrepreneurs can enter Canada and have two years to establish a business, while Employment and Immigration has the control necessary to ensure such plans are realized. In addition, the target level for business immigrants was increased substantially, by 82 per cent over the figure for 1985-86, to 4,000 principal applicants in 1986-87. This will be pursued through increased promotional efforts and by giving processing priority to all three streams of business immigrants, second only to Refugees and Family Class members. Improved counselling by 51 EDOs will ensure that the standard of such business immigration is maintained (Employment and Immigration 1985b, 2-5).

Finally, in considering the evolution of Canada's business immigration program it should be noted that future developments will continue to incorporate program refinements. Thus, it is intended to broaden the definition of entrepreneur so that previous business experience can be considered relevant in determining admissibility. In addition, a form of conditional admission has been made available to investors, on condition that they make an irrevocable investment in an acceptable project within three years (Employment and Immigration 1986a, 7; 1986c, IS 5.15, updated August 1987).

Both these developments capture the essence of the changes discussed in this section: the desire to focus the entrepreneur program in such a way that those with the necessary skills and acumen are selected, and the wish to attract the full potential of risk capital that is available. These goals have guided the program through the changes described above, while the latest developments indicate a realization that the same business immigrant cannot always meet both goals.

1.3 A Note on Data

The available data about the entrepreneur program come from two main sources. First, on applying for immigration, the prospective entrepreneur (the principal applicant) must submit a business proposal to a Entrepreneurial Development Officer at the nearest Canadian visa office abroad. Once the application has been accepted by immigration authorities, this proposal provides the information tabulated by the Department of External Affairs in its MASENT data base. The data base records the Canadian visa office overseas (or post) involved, the date the entrepreneur (still called the principal applicant throughout this paper

for the sake of simplicity) and his or her dependants receive their visas, the number of jobs that are intended to be created or retained (within the Regulations' definitions) by the enterprise the entrepreneur will establish or maintain, the industrial category (by the two-digit Standard Industrial Classification code) of that enterprise, the proposed amount of funds the entrepreneur intends to transfer to Canada and, finally, the intended province of destination. These data are issued in the form of annual reports and are revised periodically during the year.

The second main source of information is the IM1000 form, which immigrants complete on landing in Canada. This gives a whole range of socio-economic data, which are tabulated by Employment and Immigration on their Landed Immigration Data System (LIDS). Data are available on an annual basis and are updated monthly. It should be noted that data for 1979 are incomplete because at the beginning of the business immigration program some applications were processed under different immigration categories (Employment and Immigration 1986b, viii).

The essential point is that neither of these data sets permits an examination of the actual economic performance of the entrepreneur immigrants (in terms of job creation, funds transferred, or type of industry established). However, if any analysis is to proceed, they must be used since they are all that is available on a comprehensive basis for the whole country.

It is also important to recognize that these data sets are complementary – MASENT gives economic data on the business the immigrant intends to create, while LIDS allows the examination of characteristics such as the education, mother tongue and number of dependants of the entrepreneur.* One is based on the date of the visa; the other on the date of landing. Thus, data on the volume of flow will be different in each. Unfortunately, there is no way of linking the two data sets at present, so that the connection between economic intentions and socio-economic characteristics can be studied in detail. It is therefore necessary to be content with aggregate comparisons of the two data sets at this stage.

Other data sets are more limited; moreover, their partial nature and different collecting methods often prohibit comparison with either LIDS or MASENT data. Among the provinces, Ontario monitors all of its entrepreneur immigrants by collecting data on their actual economic activities (in terms of jobs created, funds transferred and types of industry established). Quebec and Manitoba check the actual levels of investment made by entrepreneur immigrants; Quebec also records data on the certificates of selection it issues but such data do not indicate the number of actual arrivals in the province. Alberta and Nova Scotia seek to conduct some follow-up of the performance of their entrepreneur immigrants at various stages, while British Columbia confines its monitoring activities to checking the arrival and recording the economic intentions of those entrepreneur immigrants that have actually moved to the province. New Brunswick and Prince Edward Island are involved only in checking the progress of conditionally-landed entrepreneurs. The remaining provinces rely on LIDS and MASENT for their information, Saskatchewan (like British Columbia) observing that a lack of resources prevents them from monitoring the economic performance of entrepreneur immigrants in their province (Employment and Immigration 1986c, updated

* It is important to note that some of the information recorded by LIDS is also based only on intentions – such as occupation and destination once admitted into Canada.

August 1987, IS 5.64; telephone interviews, May 1987). Ontario's Ministry of Culture and Citizenship maintains data on the social characteristics of business immigrants as part of its Ethnocultural Data base, providing a useful supplement to the data described above, particularly for data on educational attainment.

The Policy and Program Development Branch of Employment and Immigration is responsible for producing an annual report on business immigration. This draws together material from LIDS and MASENT to produce a synopsis, while adding further material from those systems (such as the number of entrepreneurs who employ large numbers of people, the number of women as principal applicants, the progress of the investor program). It must be stressed that these reports present only intended and not actual economic performance.

Finally, a unique monitoring study by Wong, Schutz and Crone in 1985 provides much information that is of great use. They were able to interview a large sample of the entrepreneur immigrants who arrived between 1979 and 1984 and compare their actual economic behaviour with the intentions expressed in their original business proposals. In this way they could examine the actual economic achievements of the businesses established by such immigrants and determine the reliability of expressed intentions as a guide to subsequent performance. Their study allowed LIDS and MASENT data to be checked against the characteristics, behaviour and performance of the entrepreneurs surveyed and added greatly to this data through a questionnaire seeking additional information on economic performance.

This study uses all these sources and also draws on telephone interviews conducted in May 1987 with every provincial government to describe and to evaluate the entrepreneur immigration program.

It must be noted that the major data limitation on any study of this sort lies in the lack of an available continuing and comprehensive national monitoring of entrepreneur immigration. Without this, it is impossible to gauge accurately what is happening, and the inferences and circumstantial conclusions made in this study will remain the best that can be done.

SECTION 2: ENTREPRENEUR IMMIGRATION TO CANADA

2.1 Trends in the Number of Principal Applicants

While total business immigration increased over the period 1979-1987, a profound alteration in its characteristics occurred, so that by 1987 the relative positions of the entrepreneur and self-employed components, in terms of their size, was reversed. In 1979 there were only 183 principal applicant entrepreneurs landed, compared with 1,054 principal applicant self-employed immigrants; these figures represented 14.8 per cent and 85.2 per cent respectively of all principal applicants under the business immigration program (see Tables 1 and 2). However, by 1986, the relationship had switched. Entrepreneurs now represented 76.5 per cent of principal applicants and self-employed immigrants only 23.3 per cent (the actual totals being 1,675 and 509 respectively).

Data for 1987 are incomplete, but they suggest that the pattern of 1985 and 1986 will hold; entrepreneurial numbers represent 76.7 per cent of the total, while self-employed immigration has declined slightly to 22.7 per cent, the balance being made up of investor immigration.

This shift in the character of the business immigration program means that change in total business immigration will be determined largely by growth in the entrepreneurial component, whereas before it was governed by changes in the number of self-employed immigrants. In terms of the numbers of landings, entrepreneurial immigration now represents the driving force of the whole program, and future increases in the investor component are unlikely to alter this situation – although this component will be of growing significance in other ways.

Four major factors account for these changes. The first was the Canadian recession of 1981 to 1982, dating this downturn in economic activity in terms of its effects on employment (Picot and Wannell 1987, 126). This undoubtedly made Canada a less attractive prospect for business immigration than it had been and compared with other countries that managed to avoid recession at that time. The effects of this disincentive continued to be felt after economic activity recovered in Canada, because those business people who had postponed migration on account of the poor economic climate presumably waited for clear signs of recovery before beginning the migration process and applying for a visa. In fact, in their *Analysis of Business Immigration, 1983-1984*, the Policy and Program Development Branch of Employment and Immigration argued that one reason for the decline of overall business immigration in 1983 and 1984 was "the fact that Canada has not yet fully recovered from the recent recession" (1985, 1).

The second major influence affecting levels of business immigration was undoubtedly changes in legislation. First, the 1982 restriction on selected workers* is believed to have contributed to declining levels of business immigration in 1983 and 1984, because the business

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* This restriction, introduced on 1 May 1982, provided that only those selected workers who had obtained some form of arranged employment were eligible for admission to Canada (Employment and Immigration 1984a, 10).

community abroad saw Canadian immigration policy as generally too restrictive (Policy and Program Development Branch 1985, 1). Second,the implementation on January 1, 1984 of the new regulatory definition for entrepreneur immigrants had a significant effect. The requirement for the number of jobs to be created or retained was lowered from five to one per potential entrepreneur. This had a rapid dual effect, as Tables 1 and 2 show, because it not only made entrepreneurial immigration more attractive, but it also made self-employed immigration relatively less important. All those who planned to hire between two and four employees now came under the entrepreneur component instead of the self-employed. Thus, the profound change in business immigration is rooted firmly in changes in the Regulations governing the program.

The third factor affecting business immigration since 1984 has been increased efforts to promote the business immigration program abroad. More Entrepreneurial Development Officers have been deployed at visa offices, more provincial promotion has occurred overseas, and more funds have been devoted to such activities (Employment and Immigration 1985b, 19; Employment and Immigration 1987a, 1, 3; telephone interview, New Brunswick, Department of Commerce and Technology, May 1987). Indeed, in 1985 Employment and Immigration was allocated a total of $230,000 by External Affairs, Investment Canada, and the Department for Regional Industrial Expansion to promote the program. By April 1987, Employment and Immigration was arguing that this activity may be responsible, in part, for the increase in business immigration numbers (Employment and Immigration 1987a, 1). If this is the case, promotion is one method whereby the numbers could be increased – if this is a policy goal – since the current sums spent on promotion are small and could be easily expanded.

The remaining factor to note is that the most important single contributor to Canada's business immigration is Hong Kong. Its contribution, especially in terms of entrepreneurs, has been increasing steadily over the last decade (and has come to dominate the annual totals). As a result, much of the growth noted in those annual totals results from increased participation in the program by business immigrants from Hong Kong. This is worth remembering because it affects successful program design and suggests that the prospect of Chinese accession to power in Hong Kong in 1997, which is driving business emigration, provides a clear timetable for the program. After that date it is not certain whether the new government will continue to permit such emigration and loss of capital. Other nations, of course, provide Canada with business immigrants, as shown below, but for the present, their relatively smaller contribution means that the influence of Hong Kong will continue to be as major a factor in the growth and change of Canada's business immigration as it has been in the recent past (Lau 1987; Reguly 1987).

These four factors, then, seem largely to account for changes in Canada's business immigration since 1979. Of course, they are not all the causes, nor do they operate in isolation from each other – promotion does occur in Hong Kong as elsewhere, and recession affected the decline in self-employed immigration as much as changes in the Regulations did – nevertheless, in their separate and combined ways these factors seem to have been those that, in the main, moulded the shape of the program and affected changes in it.

2.2 Trends in the Number of Dependants

Section 2.1 considered business immigration solely in terms of the number of principal applicants landing in Canada. It is necessary to broaden the perspective by drawing into the discussion the landed dependants of those principal applicants. This is important because the total numbers admitted under the entrepreneurial immigration scheme affect the evaluation of the success of the job creation part of this program. Moreover, the socio-economic characteristics of these dependants also may have significant effects on certain qualities of overall immigrant flows into Canada and on some aspects of Canadian society itself. In the following analysis, it should be noted that the term "dependant", used by Employment and Immigration, includes children and spouses – even though the latter may not be dependent on the principal applicant for their economic support.

Table 3 indicates that the average number of dependants admitted per principal applicant is not constant across the three components of business immigration. In 1986, for example, a total of 509 self-employed principal applicant business immigrants were landed, bringing with them a total of 1,120 dependants, or 2.2 times their number. However, as Table 3 shows, landed entrepreneur principal applicants totalled 1,675 in this year and brought 4,190 dependants, a ratio of 2.5 dependants per principal immigrant. As Table 5 indicates, these differences point to an important general result. Entrepreneur business immigrants have, on average, brought to Canada more dependants than self-employed immigrants (on average, 0.37 more per principal applicant over the period 1980 to 1986), while both are eclipsed by investor immigrants who have brought an average of 3.6 dependants. The latter figure is based on a much smaller sample, but 1987 data indicate a similar trend continuing, with averages of 3.2 dependants per investor, 2.42 for entrepreneurs and 2.2 for the self-employed.

This finding has two consequences. First, because these averages are superimposed on a declining number of self-employed and an increasing number of entrepreneur principal applicants, the trends described in Section 2.1 are all amplified considerably when examined in terms of total numbers of immigrants. Second, if future business immigration preserves these differentials, it will cause widening gaps between these components and the increasing dominance of the dependants of entrepreneurs.

The changes analyzed in Sections 2.1 and 2.2 have meant that Canadian immigration is slowly becoming more directed toward specific economic goals; as a result, its socio-economic characteristics are changing. The entrepreneur business immigrant component has become an important part of this redirection. It will be necessary to pay close attention to the socio-economic characteristics of entrepreneur immigrants, for these will clearly help to influence to what extent the business immigration program fulfils its economic goals.

2.3 The Origins and Destinations of Canada's Business Immigrants

Table 6 presents data on the countries of origin of business immigrants between 1981 and 1986. It can be seen how the immigration flow has been dominated by the ten leading countries, representing 64 per cent of the total in 1981, 74.6 per cent in 1985 and 67.3 per cent in 1986. Closer inspection shows that this domination has been focused over the period even

within the top ten: thus in 1981 three countries each contributed over 10 per cent of the flow, whereas by 1985 only one (Hong Kong) was responsible for 40 per cent of all business immigration to Canada, its nearest rival (West Germany) accounting for only 10 per cent of the total. (By 1986 these percentages had declined somewhat to 30.9 per cent for Hong Kong and 5.8 per cent for West Germany due to a decline in numbers from these countries and a rise in business immigration from other nations).

The pattern apparent in Table 6 is not repeated in the general immigration statistics for those same countries. In 1984, for example, the top ten countries supplied 70.8 per cent of Canada's business immigrants. However, in the same year they contributed only 33 per cent of total immigration to this country. The corollary, of course, is that those countries that supplied 29.2 per cent of business immigrants in 1984 contributed 67 per cent of all immigrants to Canada that year. This observation holds for the whole period and thus represents a general feature of the total flows being considered. At the level of individual countries, the contrast is perhaps most stark for Hong Kong, which contributed 34.7 per cent of Canada's business immigrants in 1984, but only 8.7 per cent of all immigration to Canada.

It is also important to be aware of the changing importance of various countries. Broadly speaking, the decline of European countries and the rise of Asian and Gulf nations as sources of business immigrants are the main features to observe, but the rise of Hong Kong, from 3.6 per cent to its recent peak of 40.1 per cent of business immigrants in 1985, is the most important point to remember. Hong Kong has come to dominate the flow to such an extent that even the perennial second and third ranked sources (the United States and West Germany) seem minor players.

Table 7 provides data on the provincial distribution of business immigrants, in percentage terms, between 1981 and 1986. These data show that between 82 and 87 per cent of all business immigrants to Canada have gone to three provinces: Ontario, Quebec and British Columbia. The Atlantic, Prairie and Northern regions have received the remaining 20 per cent or so over this period, the percentage distribution between them being largely stable.*

How do these flows compare with overall immigration flows and the distribution of Canada's population? Table 8 shows that in 1986 British Columbia, Quebec and Ontario received 82.3 per cent of all immigrants to Canada and represented 73.2 per cent of the nation's population; however, they received 86.8 per cent of all business immigrants to the country in that year.

More detailed analysis of the geographical pattern shows that the provincial distribution actually reflects a metropolitan dominance and that because of this, the distortions introduced at the provincial level are amplified within provinces. Of the 1,675 principal applicant entrepreneurs who came to Canada in 1986 it can be seen that 1,165 (70 per cent) went to Toronto, Montreal and Vancouver; only 30 per cent remained to be distributed across the rest of the country. In Quebec, the city of Montreal accounted for 94 per

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* It must be recognized that these figures cannot be an entirely accurate indication of actual destination since they are derived from the intended destination information tabulated by LIDS. However, subsequent migration would appear to exaggerate rather than counter the trends noted here (see Section 3.2).

cent of the province's total number of business immigrants. In British Columbia, Vancouver represented 80 per cent of the total, while Toronto received 69 per cent of Ontario's total (Employment and Immigration, Landed Immigrant Data System, unpublished tabulation, 11 June 1987).

Provincial monitoring of actual destination confirms these impressions. Indeed, while Ontario's distribution for 1986-1987 appears less polarized, the metropolitan dominance remains. Thus, 47 per cent of entrepreneur immigrants to Ontario in this period are found within 30 kilometres of central Toronto (telephone interview, Ontario, May 1987).

Such patterns of distribution will clearly ensure that whatever benefits spring from entrepreneur immigration, they are bound to be highly concentrated.

SECTION 3: THE ECONOMIC IMPACT OF ENTREPRENEUR IMMIGRATION

A recent public opinion poll published in the *Globe and Mail* showed that 39 per cent, or the largest share, of individuals questioned, believed there was too much immigration to Canada (June 6, 1987). The federal government, however, is keen to persuade people that immigration is economically necessary "and that—contrary to myth—immigrants do not "take jobs away" from Canadians" (Employment and Immigration 1985a, 16). The entrepreneur immigration program, as a scheme that is designed to attract overseas capital and is based on a requirement to create jobs for Canadians, must therefore be seen as an important demonstration of the government's case.

As a consequence, the ability of the entrepreneur immigrant program to demonstrate its economic worth is crucial to its future and to public perceptions of the program. Its disadvantages cannot be fairly evaluated if its benefits remain unconsidered, and in the final analysis, its results reflect on the economic value of the entire immigration program. Accordingly, this section evaluates the economic impact of the entrepreneur immigrant program by analyzing the data that is currently available.

3.1 Socio-Economic Characteristics of Entrepreneur Immigration

In this section some of the characteristics of Canada's entrepreneur business immigrants will be explored. Attention will focus especially on those features that are of economic importance.

Table 9 shows that in terms of principal applicant business immigrants, in 1984 only 13.7 per cent of self-employed and 10.7 per cent entrepreneurs were women. Hong Kong provided the majority of both components, but this was mainly because of its predominance in overall business immigration. This compares with a rate of 15 per cent found by a 1984 survey of Canadian entrepreneurs (Thompson 1986a, 6). Another study found that 27.1 per cent of all self-employed people in Canada in 1984 were female, and that this figure had increased by 20.5 per cent since 1982. For this aspect of the program at least, business immigration does not reflect the Canadian situation. Of course, the total number of self-employed in Canada (1,480,000) will not be affected by the small number of business immigrants landing in this country, and its sex composition could be little altered, even over a number of years of such immigration. Moreover, few of the main source countries encourage significant levels of female enterprise, so the low percentages are not surprising. However, they do mean that, in this regard at least, the business immigrant program does not support current Canadian trends, especially at a time when growth in female self-employment is seen as an important factor in the country's future economic growth (Levesque 1985, 92, 99, 104). Table 10 confirms this situation by showing that over the period 1979 to 1984, fully 91 per cent of all entrepreneur business immigrants were male, and only 9 per cent female.

Table 10, which is based on the study carried out in 1985 by Wong and his colleagues, illustrates that in terms of Canada's official languages, 62.4 per cent of the sample of principal applicant entrepreneurs landed between 1979 and 1984 spoke only English, 4.9 per cent spoke only French, while 10.0 per cent were officially bilingual and 22.7 per cent spoke

neither official language. These figures are somewhat different from the composition of both the Canadian population and overall immigration. Thus, the 1981 Census reveals that 61 per cent of the population had English as their mother tongue and 26 per cent had French, while 1984 data show that 4.7 per cent of all immigrants spoke only French, 43.2 per cent spoke only English, 3.7 per cent could speak both, and 48.4 per cent could speak neither official language (Statistics Canada 1984, Table 1; Employment and Immigration 1986b, 26). Of course, these data are for whole populations, including spouses and dependants, and so are not strictly comparable with statistics based solely on principal applicants. However, they do suggest that the low percentage of immigrants with French language ability (relative to the overall Canadian picture) is a problem of the whole immigration program and is not related solely to business immigration. Moreover, since principal applicant entrepreneurs can clearly be defined as an economically active group, it is of interest to note that 23 per cent of these immigrants cannot conduct business in either English or French. Obviously, their language skills are of great value in terms of facilitating importing and exporting, but there would seem to be as much need for official language training in the case of business immigrants as there is for other immigrants—and perhaps more so if Canada is to benefit from their full entrepreneurial potential.

This potential is certainly enhanced by the entrepreneurs' level of education. Table 10 shows that 54 per cent of entrepreneur principal applicants between 1979 and 1984 had over 12 years of schooling, while 46.9 per cent had trade or university qualifications and a further 23.3 per cent had the equivalent of high school graduation. The figures are somewhat smaller when dependants are included. Thus, for example, to use 1985 data from Ontario (see Table 11), 27.7 per cent of all immigrants in the Business Category had over 12 years of schooling. While this is considerably less than the figure based solely upon principal applicants, it exceeds the figures for all classes and categories except Retired and Other Independent.

Finally, it is useful to consider the age of the entrepreneurs being admitted. Table 10 shows that 35.6 per cent of principal applicant entrepreneurs between 1979 and 1984 were in the 35 to 44 age group, and a further 35.5 per cent were between 45 and 54 years of age. Thus, fully 71 per cent were in the medium age group, whereas only 1.2 per cent were under 25. Comparable figures for all immigrants to Canada in 1984 who intended to enter the work force show that only 17.3 per cent were between the ages of 35 and 44, and 8.2 per cent were between 45 and 54 (Employment and Immigration 1986b, 54-55). The entrepreneurs are clearly a much older group within the total stream of immigrant workers, and as a result perhaps are also more mature and experienced in a range of life skills, as well as the skills needed to run a successful business. Certainly, their entry contributes to the general aging of Canada's population.

The characteristics of entrepreneur immigrants compare well with those of current Canadian-born entrepreneurs. A 1984 study conducted by the Canadian Federation of Independent Business showed that 47.5 per cent of entrepreneurs were aged between 35 and 49 years and 68.5 per cent were between 35 and 59 in a sample of 360 firms, while only 1.8 per cent were younger than 24. Significantly, in terms of "new" businesses (created since 1979) only 2.9 per cent of entrepreneurs were under 24 while 50 per cent were between 35 and 49 years old. Clearly the experience necessary to establish a successful new business takes time to develop, and over 75 per cent of entrepreneurs who had founded "new" businesses had gained experience in another firm prior to establishing their own. In terms of schooling, the

survey showed that entrepreneurs had spent an average of 13 years in the educational system; only 20 per cent reported 10 years or less, whereas 33 per cent had received over 15 years of schooling (Thompson 1986a, 6-8). In both these respects, then, the entrepreneur immigrant compares favourably with Canadian-born entrepreneurs. If the experience of the latter can be taken as a benchmark for the qualities necessary to succeed, then the average immigrant entrepreneur should be able to meet the goals of the program.

3.2 Job Creation By Entrepreneur Immigrants

> One of the primary criteria of success under the entrepreneur program is the creation of employment for Canadians.
>
> (Wong, Schutz and Crone 1985, 58)

The objectives of this section are, first, to examine the data available on the establishment of new jobs; second, to consider whether the requirements are appropriate and are being met; and third, to examine the benefits to Canada in general and the provinces in particular. The much wider issue of total job creation by everyone admitted under the entrepreneur program will not be examined here. Some of the principal applicants' dependants may well establish their own businesses, the applicants' businesses (if successful) will continue to grow over time, and the additional population created in Canada by those entering the country under the program may stimulate job creation by increasing the size of the market. These wider effects – many of them common to all immigration categories and classes – while important, are not part of the more limited endeavour here.

It is also important to understand the severe limitations of the available data. Table 12 presents the statistics that are available from federal agencies on the total number of jobs that entrepreneur business immigrants entering the country between 1979 and 1986 intended to create. It should be noted that no reliable figures exist for 1979 to 1983. Those issued by Employment and Immigration for this period do not actually give any indication of real job creation. They were derived merely by taking the total number of principal applicants landed under the entrepreneur component in each year and multiplying by five (the number of jobs these immigrants were supposed to establish to qualify under the Regulations as entrepreneur immigrants).

Clearly, then, to examine this issue some other approach is needed; this can be found in the evaluation of the entrepreneurial program carried out by Wong and associates for the period 1979 to 1984. They were able to monitor (through interviews) the actual employment creation of 353 entrepreneurs admitted under the program. Since their sample included 173 people admitted under the old Regulations and 180 under the new, a total of 1,045 jobs should have been created to meet the program's requirements. The study shows that in fact 3,823 full-time jobs and 1,794 part-time jobs were created, an overall average of 10.8 full-time jobs and 5.1 part-time jobs per entrepreneur (and an average of 15.9 if both categories are combined). As they argue in their study "this may be interpreted as success beyond all expectations" (Wong, Schutz and Crone 1985, 58-60; the quotation is from page 59).

However, they add, this is a superficial impression. In terms of full-time employment, 67 per cent of entrepreneurs who established a business created one that employed five people

or fewer (indeed, 15 per cent created no employment), and at least five entrepreneurs employed only their family dependants (see Table 13). Moreover, 29 per cent of the entrepreneurs hired only one part-time employee, and 70 per cent created part-time employment for only three individuals or fewer (Table 14).

This means that the apparent success of the program depends, in their sample, on the 3 entrepreneurs – or 0.85 per cent of the total of 353 – who created 1,910 jobs, or 50 per cent of all full-time employment, and the one entrepreneur who created 72 per cent (1,300) of all part-time jobs. In sum, therefore, the average is highly distorted. The program might appear to be performing satisfactorily, but the bulk of individual entrepreneurs in this sample were unable to meet the requirements of the old Regulations. The large majority of entrepreneur immigrants clearly establish small businesses, and excluding the small number of large businesses from their ranks gives a truer picture of the program's employment creation effects, as well as indicating the vulnerability of these effects to sudden change. As Wong, Schutz and Crone argue, "figures such as average jobs per entrepreneur are upwardly biased and should not be used as a basis for program expectations" (1985, 59).

It is unfortunate that the monitoring on which this study was based has not continued, for it provided essential data for the detailed analysis of job creation activity under the old Regulations and could have provided similar data for the present Regulations. In addition, it revealed interesting insights into such issues as the number of full- and part-time jobs involved; this information cannot be usefully recovered in any other way. In passing, it might be added that although the move to reduce the job creation requirement in the Regulations from five to one was intended to make the program appeal to a wider number of immigrants, and was enacted before the completion of the study by Wong, Schutz and Crone, it was nevertheless a fortuitous change. There was certainly little advantage in a requirement that could not be monitored; that could not be met by the majority of entrepreneur immigrants, and that could not be enforced even when obviously not met.

From 1984 onward, an alternative to the Employment and Immigration data set exists in the information collected by the Department of External Affairs from the business proposals of entrepreneur immigrants as part of its MASENT data base. Each entrepreneur was required to give information on the intended number of jobs to be created in Canada; the data for those who were granted admission is given in Table 12.

It is possible to get some sense of the reliability of the MASENT data from the monitoring study conducted by Wong and his associates. This is because they included 147 entrepreneurs in their sample who appear in the MASENT system for 1983 and 1984 and are therefore able to determine differences between the actual and intended number of jobs created. Their results show that proposed job creation was overstated by 19 per cent in 1983 and by 34 per cent in 1984. Interestingly, they note that the number of entrepreneurs who overstated job creation decreased, but the overall percentage of overstatement rose because the magnitude of individual over-estimates increased. They also observe that entrepreneurs admitted provisionally made better estimates of employment impact than those landed unconditionally or conditionally. Finally, they observe that the change in the regulations between 1983 and 1984 did not result in any diminution of the over-estimates (1985, 60-64).

As a result of these investigations, it would appear that the actual number of jobs created in 1984 should be on the order of 5,603, if it is assumed that the figure of 7,508 was over-estimated by 34 per cent of its correct value, but this can be only a rough approximation given the small size of the sample.

The reliability of 1985 and 1986 data cannot be so estimated. Certainly, there have been moves to improve the accuracy of business proposals, and the report by Wong and his associates can only have encouraged this. Employment and Immigration note that the declining rate of failure to be admitted (from 20 per cent of all applications in 1985 to 12 per cent in 1986) could be attributed to "a better quality of candidate coming forward" (Policy and Program Development Branch 1987a, 2 and Table 4). One implication is that job creation estimates might be more likely to be attained because they would be based on better and greater business experience. Certainly, a recent statement from the Department of External Affairs suggests that as a result of the improved training of EDOs the quality of business proposal data has increased greatly and that job creation intention statistics under-estimate the actual case (telephone interview, May 1987). It is therefore appropriate to accept the results of the study by Wong and his colleagues as providing the best indication of what the minimum figures are likely to be in 1985 and 1986, while accepting the possibility that the actual numbers might lie somewhat closer to the intended figures than was the case in 1983 and 1984. Indeed, the latter figures can perhaps be taken to provide the maximum estimates for these years and so help to define the range within which the actual results are most likely to be found.

These are the caveats that apply to the use of the data for 1984 to 1986 given in Table 12. The information from these three years indicates that an average of 6.08 jobs were created or retained per principal applicant in the entrepreneur immigrant component granted a visa over this period. However, this figure represents the maximum likely, and if the total of 28,272 jobs created or retained is reduced (to allow for an overstatement of the actual total by 34 per cent) a minimum of 21,099 jobs results. Such a figure produces an average for 1984 to 1986 of 4.54 jobs per entrepreneur. Therefore, on the basis of these data, it could be argued that the average entrepreneur immigrant granted a visa over this period created or retained a minimum of approximately 4.5 and a maximum of 6 jobs, depending on the assumption made regarding overstatement.

Such estimates are deliberately cautious, for although averages might be higher, the obvious difficulties urge great care. Nevertheless, since the 1984-1986 data represent the only usable information on job creation available for this entire program (the 1979 to 1983 figures being entirely estimated), these averages represent the best attempt to calculate such figures. Moreover, flawed as they are, these averages are based, not on a sample, but on the whole population of entrepreneur immigrants over three years; as a result they also allow some evaluation of the program's achievements since the 1984 changes in the Regulations.

The figures suggest that the requirement of one job created or retained per entrepreneur has been met easily on average since 1984 and thus indicate that the immigrant entrepreneurs have complied with the Regulations. Indeed, the data suggest that the job creation requirements have been surpassed by a considerable margin.

As such, they mark an improvement over the level of participation recorded in the monitoring study. Nevertheless, these are average results, and the presence of a few large employers would be sufficient to mask the underachievement of many smaller entrepreneurs. Inspection of the MASENT data does indicate the existence of this problem, so the program's overall success does not reflect the individual experience of every entrepreneur admitted to Canada between 1984 and 1986. If the figures held, however, increasing entrepreneur immigration to the level of 4,000 a year would result in between 18,000 and 24,000 new jobs being created each year.

Canada's entrepreneur immigration program may well have been successful in meeting the requirements of the Regulations concerning job creation, but a number of considerations suggest that the success is more apparent than real.

For example, in terms of the duration of the jobs created, there is little information available at present. Jobs that are retained through the purchase of an existing business may well have a less certain future than other jobs, since more successful firms are less likely to be sold. As well, unfamiliarity with the Canadian economy will inevitably lead to the closure of some new businesses established by entrepreneur immigrants. Moreover, the retention of jobs in certain sectors might actually be harmful to the economy in the long run by preventing structural adjustments and increases in productivity. Data are available only for 1986 and will be considered in the following section.

A second consideration is the provincial distribution of jobs created and retained. Table 15 shows that some interesting changes have occurred since 1984. (The available statistics for change between 1979 and 1983 merely reflect the pattern of landings described in Section 2.3.) Thus, while Ontario remained dominant throughout the three years, British Columbia's total rose from 18 per cent to 23 per cent of jobs created in Canada by entrepreneur immigrants and Quebec's rose from 12 per cent to 18 per cent. Manitoba and Saskatchewan, on the other hand, have recorded losses in absolute and percentage terms, while Alberta – though steady at around 7 per cent – has seen its actual numbers rise from 576 to 809 over the period. This increase is small but surprising in the light of that province's continuing economic difficulties.*

Table 16 presents a summary of these data. The stark conclusions to be drawn from it are twofold. Not only are there profound provincial differences in the distribution of jobs created, but those jobs are concentrated in Canada's more prosperous provinces while the poorest are shunned. This is not surprising; business immigrants can be expected to make economically-driven decisions, but it is unfortunate and ironic that the entrepreneur program is not in any way ameliorating the regional economic situation, rather it is contributing to its exacerbation. Table 17 shows that in 1986 Newfoundland had an unemployment rate of 20 per cent; the Ontario rate was 7 per cent, yet Table 16 shows that entrepreneur immigrants intended to create 14,345 jobs in Ontario and only 3 in Newfoundland between 1984 and 1986. Nor is the future any brighter: projected increases in entrepreneur immigration will only reinforce past trends, given that the 1990 unemployment rates projected for these provinces

* It should be added here that these data minimize provincial differences because there is a tendency for entrepreneurs to move from other provinces to Ontario (in the same way that 70 per cent of all immigrants landed in Newfoundland leave to go west) and from Manitoba to British Columbia (telephone interviews, CEIC Newfoundland, British Columbia, May 1987).

are 17.5 per cent and 7.2 per cent respectively (Table 16). The problem of provincial disparities within the entrepreneur program is severe and reflects the narrow focus of the immigration stream. Only a few major cities receive the bulk of entrepreneurs, so that no impact is felt even in other parts of the same province. This situation also applies to Quebec and British Columbia, where job creation statistics shown in Table 16 appear to be more in line with provincial needs as measured by unemployment. The "success" of the entrepreneur program, therefore, is not noticeable in many parts of Canada.

The third point is that most entrepreneur immigrants enter Canada with a number of dependants. This should be recognized when analyzing the effectiveness of job creation under this program. It is the total number of immigrants, not just the principal applicant entrepreneurs, that form both an extra resource and an added burden for various parts of the Canadian economy and social services.* The number of new jobs created may be counterbalanced in some way by the addition to the population of dependants who do not enter the labour force. In addition, statistics on the average numbers of jobs created per entrepreneur may be of little value if not compared to the number of dependants. Moreover, if these arguments carry any weight, they suggest that the Regulations relating to employment per entrepreneur may incorrectly specify the real requirement, which would be a level of employment related to the total number of immigrants admitted under the entrepreneur program.

It is useful, therefore, to attempt to calculate statistics on the relationship between job creation and the total number of immigrants entering Canada under the entrepreneur program. In what follows, lack of data forces us to ignore the issue of how many dependants subsequently create additional employment. However, this is balanced by the possibility that some of the jobs entrepreneur immigrants intend to create are taken by entrepreneurs and their dependants.

Unfortunately, the MASENT system does not record dependants, but if the 4,647 entrepreneurs who received visas to enter Canada between 1984 and 1986 had the same average number of dependants as the 4,142 landed during this period (see Table 3) they would have had approximately 2.47 dependents each, or 11,478 in total. If the principal applicants themselves are included, approximately 16,125 people would have entered Canada. Thus, in these three years, entrepreneurs indicated their intention to create 28,272 jobs; with total business immigration of 16,125 people, this yields 1.75 intended jobs per immigrant. (A similar calculation for the period 1980 to 1983 produces a slightly lower figure of 1.53 intended jobs, but because it is based on estimates the apparent improvement in performance cannot be claimed with confidence.)

Certainly, the impression of success created by the average of 6.08 intended jobs per entrepreneur is tempered by the realization that this translates into only 1.75 intended jobs per immigrant. Moreover, if the requirement of one job per entrepreneur were to become the average, it would mean a rate of only 0.3 intended jobs per immigrant if the average number of dependants remained at 2.47 per entrepreneur. Given the nature of the data, these conclusions can only be impressionistic, but they do give a much better indication of the job

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* Of course non-immigrant entrepreneurs also make use of family labour, a factor that should not be overlooked in comparisons with entrepreneur immigrants.

creation effect of the entrepreneur immigrant program and allow more informed consideration of its policies and purposes. In this instance at least, it might well be argued that the job creation requirement is too low to be effective and that the program has so far been spared this realization by the fact that entrepreneur immigrants have actually hired far more people, on average, than they are required to do.

These then are the major factors lurking beneath surface impressions. They suggest that the program can only be said to have met its requirements in terms of job creation because those requirements are inadequate. The requirements of the program also mean that success in meeting them does not guarantee that the program is achieving any overall economic success in terms of job creation. This raises two wider issues: what has been the success of the program when compared with Canada's overall employment generation needs, and how do entrepreneur immigrants compare to other business people (both immigrant and Canadian-born) in terms of job creation?

In terms of the wider issue of job creation, the data presented in Tables 15 to 17 are sobering. Although the total number of jobs created or retained by entrepreneur immigrants was 9,249 in 1985 and 11,515 in 1986 (Table 15), there were over 1.2 million unemployed in Canada in each of those years. Even if it is assumed that each entrepreneur hired individuals who had previously been recorded as unemployed, job creation by entrepreneur immigrants could only have affected 0.69 per cent of the unemployed in 1985 and 0.93 per cent the following year. Table 16 shows over 28,000 jobs created or retained between 1984 to 1986, yet Table 17 indicates that this was only 2.8 per cent of all full-time jobs lost between 1981 and 1984. These percentages may even be smaller if the overstatement of job creation intentions is taken into account. Given a total employed work force of 11.6 million in Canada in 1986 (Table 17), it is clear that the job creation activities of entrepreneur immigrants can have little overall economic impact.

Considering entrepreneur immigrants with other entrepreneurs in terms of job creation, produces a favourable impression of the program's record. Thompson's study of 360 Canadian firms, conducted in 1984, provides a suitable comparison with the work of Wong, Schutz and Crone; although Thompson confines her attention to small businesses, it can be seen from Table 13 that the great bulk of entrepreneur immigrant enterprises also fall into this category. Thompson found that 75 per cent of the small businesses that increased their labour force between January 1980 and January 1983 created jobs for between one and four people and that only 25 per cent hired five or more people (Thompson 1986b, 13).* Wong, Schutz and Crone, however, found that 41 per cent of those entrepreneur immigrants who established businesses hired five or more people (See Table 13). Indeed, the calculated average of between 4.5 and 6 jobs created per entrepreneur clearly indicates that enterprises established by entrepreneur immigrants granted visas between 1984 and 1986 also performed better than their Canadian counterparts. (Data for Ontario entrepreneur immigrants discussed in the following section confirms this.) However, before attributing this higher rate entirely to the operation of the entrepreneur immigration program, it should be noted that immigrants in general have a better record in this regard than non-immigrants. Samuel and Conyers noted that over the period 1950 to 1966 enterprises founded by immigrants employed, on average,

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* Certainly, as recognized earlier, non-immigrant entrepreneurs also benefit from family labour. It should also be noted that Thompson's study included dependants and entrepreneurs in the data on employees.

four persons each (Samuel and Conyers 1985, 6), while the Longitudinal Study of the Economic and Social Adaptation of Immigrants found that the self-employed among the 1969 cohort of immigrants had created six jobs on average within a period of three years (Richmond 1981, 30). More recent data are scarce, but clear indications of the entrepreneurial characteristics that these figures suggest can be found in a study of self-employment in Canada using the 1981 Census. The study observes that the average self-employment rate was 60 per thousand in 1981 for those born in Canada, but 77.4 per thousand for those who had immigrated to Canada as adults (Teega Research Consultants 1986, 4).

These comparisons point to two sets of conclusions. First, the behaviour of immigrant and non-immigrant entrepreneurs shows that, on average, those entering Canada under the entrepreneur immigrant program perform much better in terms of job creation than non-immigrant entrepreneurs. In passing, it should be noted that since there does appear to be an upper limit to the amount of job creation possible by entrepreneurs (both immigrant and non-immigrant) there is a maximum number of jobs that entrepreneur immigrants could realistically be expected to create. Thus, continued job creation success might well have little effect on overall employment levels in Canada, even with considerably increased levels of entrepreneur immigration.

Second, if some entrepreneur immigrants have done well in creating jobs, many immigrants in other classes and categories have performed just as well. Immigrants tend to be strongly motivated, and many are disposed to setting up their own businesses, whether because this is the easiest way into the workplace in the face of discrimination, or because they come from cultures that value entrepreneurial skills. This means that job creation by members of other classes and categories may well be far larger than that caused by the entrepreneur immigrants, although at present data on this are meagre. Recent reports, for example, suggest that three Tamil refugees who arrived in Canada started their own businesses within a year of arrival and altogether employed 20 Canadians (*The Ottawa Citizen*, 1987b). It follows that many of the achievements of entrepreneur immigrants in job creation would have occurred without the stipulations of the entrepreneur immigrant program. Public policy would do well to recognize that the achievements of entrepreneur immigration builds on such a base and to consider how best to exploit this foundation.

In summary, it can be seen that the entrepreneur immigrant program has met with requirements set out in the Regulations, it has achieved some economic successes, but it has had little overall economic impact.

3.3 Industries Established By Entrepreneur Immigrants

Thus far the discussion of the entrepreneur program has treated the enterprises established by entrepreneur immigrants as an undifferentiated group. However, the nature of those enterprises is of economic interest; the type of industry established has importance in terms of the entrepreneur program's contribution to the overall economic structure of the country, investment in various industrial sectors, and job creation in key parts of the economy.

However, how can it be determined whether the businesses being established are those that have the most economic benefit in terms of the three factors just outlined? Given the

available data, the best method is to be guided by provincial statements concerning their preferences for the types of businesses to be established under this program. Their preferences are set out in the *Immigration Manual* and summarized in Table 18. Ontario, Manitoba and Alberta, for example, favour manufacturing and high technology industries and also value tourism and exporting. Retailing, importing and re-exporting, and the restaurant sector are viewed in a negative light. Newfoundland states its preferences in order of importance: secondary processing and manufacturing firms, the establishment of new jobs in the service sector, and the long-term economic goals of the province (telephone interview, Department of Development and Tourism, May 1987). Overall, these preferences point clearly to the importance of the goods-producing industries in provincial definitions of the most useful businesses in terms of their potential economic impact. Services-producing industries are seen as having far less overall impact and are therefore much less desirable. Goods-producing industries include agriculture, mining, manufacturing and construction, while service industries include wholesaling, retailing, restaurant and accommodation services. These categories are fully defined in Table 21, while Tables 19 and 20 show job creation intentions by sector.

How does the industrial activity of Canada's entrepreneur immigrants compare with these preferences? Table 19 draws on data provided by Wong, Schutz and Crone for the period 1979 to 1984 and demonstrates that for the seven cities in their study there were only 694 full-time jobs created in goods-producing industries, compared to 3,129 in the service sector. Thus, only 22 per cent of new full-time employment was in the sector preferred by the provinces. This conclusion also stands for part-time employment and for the overall total, no matter how part-time jobs are counted (Table 19 shows two methods). As can be seen, the ratio of jobs created in the goods-producing sector to jobs created in services production (G/S) never rises above 0.22 and falls as low as 0.05 for part-time jobs. Thus, in terms of employment creation in goods production, as Wong and his colleagues argue, this result is "evidence that provincial economic development goals of expanding this sector are not being addressed by the entrepreneur program" (1985, 64).

Their study notes further that in terms of the types of industry established the results are also disappointing. Thus, 28 per cent of all businesses established were in goods production (22 per cent manufacturing, 6 per cent in construction, and 0 per cent in agriculture and Mining), or only 76 of a total of 272 in their sample (*ibid.* 48). Only in Toronto was manufacturing the dominant industry of the respondents in their survey. Moreover, only 11 per cent of the businesses introduced new technology and only 18 per cent expanded Canadian exports. Wong and associates conclude by suggesting that the "majority of entrepreneurs are not establishing businesses in those industries identified by the provinces as needing development" (*ibid.* 47, 50). This conclusion summarizes the experience of the entrepreneur program until 1984: it had resulted in the introduction of businesses that the provinces did not require, and thus had done little to forward economic goals.

What has happened since then? In particular, have the problems indicated by Wong and his associates been tackled? It is possible to answer these questions using recent data from the MASENT data base. An analysis of the data for 1986 shows to what extent the situation has altered and whether the improved selection and counselling of entrepreneur immigrants has led to the establishment of industries that meet provincial goals.

Aggregation of the industrial groups, following the major divisions of the Standard Industrial Classification (SIC) (Statistics Canada 1986, 307-372), allows the 1986 MASENT data to be sorted into goods production and services production industries, producing Table 20. This shows clearly that in terms of employment intentions, more jobs were to be created and retained in goods production than in services production by the entrepreneur immigrants granted visas in 1986. Thus, 52.8 per cent of jobs to be created and 60.3 per cent of jobs to be retained were in goods-production industries. With a figure of 5,204 intended jobs, services production accounted for only 45.2 per cent of the 11,515 jobs to be created or retained. It can also be seen from Table 20 that a predominance of goods production, in terms of the number of jobs to be created, was found in the majority of provinces that recorded large numbers of entrepreneur immigrants, the exception being Quebec. However, even in that province the figures improve considerably on 1979-1984 levels, in terms of meeting provincial preferences. A predominance of intended services production jobs seems to be confined, by 1986, to those provinces that are not major recipients of entrepreneurial business immigration and that thus can neither afford to be selective nor need to be concerned about the effects of the few entrepreneurs they do receive. Overall, then, these data indicate that provincial goals in encouraging employment in goods production appear to have been met by recent entrepreneur immigrants.

Turning now to their effects on overall industrial structure, it can be seen from the number of principal applicants per industrial group (the fourth item in Table 20) that services-production industries accounted for 53.6 per cent of enterprises to be established in 1986. While this group remains in the majority, it is by only a slight margin, indicating that considerable progress has also been made in satisfying provincial goals in this direction; at the same time the number of enterprises to be established by entrepreneur immigrants in goods production rose from 28 per cent between 1979 and 1984 to 46.4 per cent of the total. Moreover, the provincial figures show a predominance of goods-production industries in British Columbia, Manitoba, Ontario and Nova Scotia; in fact, only the results in Quebec appear to be depressing the overall figures. It is interesting to note that the employment figures reported above indicate that the goods-production industries to be established by entrepreneur immigrants hire more people on average than those in services production. This gives strength to stated provincial preferences for goods production.

Finally, if the simplifying assumption is made that all the funds to be transferred to Canada by each entrepreneur immigrant are invested in those industries they intend to establish (as opposed to being used for other purposes), it can be seen that such investment is almost equally divided between goods-production (49.3 per cent) and service industries (50.7 per cent) at a national level. At the provincial level, it is clear that entrepreneurs going to Ontario and Nova Scotia are putting more investment into goods production than into services, while in British Columbia investment is balanced between the two categories. Elsewhere, services are receiving a higher proportion of investment. These figures are only estimates, because it cannot be assumed that all funds transferred are invested in this way. However, the estimates do indicate that provincial preferences are correct in favouring goods-production industries because they are clearly associated with the transfer of more funds. As Wong, Schutz and Crone argue, the success, scale, and amount of job creation of businesses are "contingent, in part, upon the infusion of a sufficient amount of investment capital" (1985, 52).

This analysis suggests, first, that considerable changes occurred in the activities of entrepreneur immigrants since the period 1979 to 1984 and, second, that by 1986 the program was at last meeting provincial preferences in terms of the establishment of industries that were capable of having some economic impact.

However, since the MASENT data are based on intentions, it is fair to ask at this point how far such conclusions represent a real reflection of change and a true measure of economic success? The study by Wong and his associates cast a disturbing light in this respect, for they showed that 43 per cent of entrepreneurs did not establish the type of business they had proposed, that job creation was overstated, and that funds to be transferred were over-estimated by 17 per cent in 1983 and 27 per cent in 1984 (*ibid.*, 50, 54, 63). The last two observations are perhaps the most relevant here because they are based on the 147 people in their sample for whom MASENT data existed for 1983 and 1984.

It is possible to resolve this question by considering the 1986 situation of industries established by entrepreneur immigrants – that is, as far as the provincial data allow. Ontario's records show that of the 225 new entrepreneur immigrants who started businesses in Ontario between April 1986 and March 1987, 40 per cent established enterprises in manufacturing and 40 per cent in services. The other 20 per cent were in agricultural activities excluding farming, such as horticulture and processing and should be added to the manufacturing percentage. This would mean that 60 per cent of industries established were in goods production in the fiscal year 1986-87, a figure that compares favourably with that suggested in Table 20 for Ontario, where goods production accounts for 54.8 per cent of the enterprises entrepreneur immigrants intended to establish. Overall, these 225 businesses created employment for 3,230 people and involved investments of $70.26 million according to provincial monitoring data (telephone interview, Ontario).

This impression is corroborated in British Columbia, where entrepreneur immigrants principally establish manufacturing businesses. Industries such as retailing and food services occupy only a secondary position in the rankings. Overall, provincial sources suggest that entrepreneur immigrants pledged $70 million in investments in their businesses in the fiscal year 1985-86 (telephone interview, British Columbia).

This suggests that the trend toward goods production revealed in the MASENT data (and it will be seen below that the bulk of this is indeed in manufacturing) does reflect the actual situation. Nor is this all, for there are indications that the number of enterprises suggested by these data may also be reliable. Thus, Nova Scotia reports, on the basis of careful monitoring of entrepreneur immigrants over the last three years, that 90 per cent of such individuals started the business they proposed and were successful in that enterprise. Moreover, sources in the Department of External Affairs argue that the vast majority of entrepreneurs now establish the industries they intend, move to the province indicated in their proposal and are successful in starting their businesses (telephone interviews, Nova Scotia, Department of External Affairs).

Finally, it is instructive to look at some of the finer details of the MASENT data presented in Tables 21 to 24. Table 21 gives the types of industry to be established (in terms of numbers of principal applicants) by province. As can be seen, 686 out of a total of 1,774 are found in Ontario, 511 in Quebec and 391 in British Columbia, while the rest of the provinces

account only for 10.5 per cent of the total. Manufacturing accounts for 37.2 per cent of the enterprises, while retail trade activities, accommodation, food and beverage industries, and wholesale trades rank a distant second, third and fourth. These four groups alone account for 76.8 per cent of all intended establishments. This situation is also found in Table 22 in terms of jobs to be created.

Data on jobs to be retained have been gathered only since 1986 so that these results have added interest. It can be seen from Table 23 that of the total jobs to be retained (3,128), 2,119 are in Ontario, 1,161 of them in manufacturing. Finally, Table 24 presents information on the 19 major groups that make up the manufacturing industries division in Ontario in 1986. Job retention occurs in 13 of those groups, and the largest number (404) is found in textiles. Indeed, the most important major groups overall are clothing manufacture and textiles. The former accounts for 33.4 per cent of all jobs to be created and the latter for 34.8 per cent of all jobs to be retained by entrepreneur immigrants in Ontario. Clothing manufacture also looms large in terms of funds to be transferred, with 24.5 per cent of the total.

It is clear from these tables that entrepreneur immigrants are contributing to a wide range of activities and are certainly concentrated in manufacturing and other goods-producing industries.

3.4 Funds To Be Transferred To Canada By Entrepreneur Immigrants

The final category of data available for analysis in terms of the economic effects of Canada's entrepreneur immigrant program concerns the amount of funds each principal applicant intends to bring into Canada. These data provide a glimpse of the effects of the program in terms of investment in the country. Three principal features require comment: the enormous sums involved, the logic of the new investor program and the regional effects of such transfers.

First, it is necessary to consider the reliability of the MASENT data to be used here. Information on this comes from the monitoring study by Wong, Schutz and Crone. They were able to compare the intentions of 103 entrepreneurs, in terms of funds to be transferred according to the MASENT data system, with what they actually did in Canada after receiving visas in 1983 and 1984. Results are tabulated in Table 25 for the three admission categories then in use for entrepreneur immigration. Overall, Wong and his associates found that funds to be transferred were over-estimated by up to 27 per cent of the actual capital transferred and that the degree of over-estimation had increased between 1983 and 1984. They concluded further that the magnitude of overstatement per entrepreneur had increased over the same period (1985, 52-57). In summary, reflecting on these results they commented, "these comparisons illustrate ... that the program expectations based on proposed figures are not reliable. In fact, meeting program objectives is largely a hit or miss affair when based on entrepreneurs' proposed figures" (*ibid.* 57).

It is worth commenting that performance rates since 1984 may well be much better. The greater reliability of business proposals, the improved quality of applicants and the types of proposals that receive provincial approval could all mean that the amount of funds quoted in proposals will become a more accurate basis on which to analyze actual transfer levels.

Certainly, the data Wong, Schutz and Crone present for entrepreneurs admitted provisionally may provide some model here, since members of that category were aware that their performance was monitored more carefully than that of the group that received unconditional landing. Table 25 suggests that 22 per cent of the provisional group over-estimated the level of funds to be transferred, while 16 per cent stated the amount correctly and 62 per cent actually transferred more than they had intended. It is possible that funds may be transferred over a long period of time so that a study conducted in 1985 would not be able to gauge ultimate levels of compliance correctly. At the same time, it is difficult for prospective immigrants to forecast their financial requirements accurately; market conditions may change, and anticipated growth may not be realized once businesses are begun in Canada. Thus, it is probable that the data in the business proposals will always be somewhat inaccurate. In the face of such difficulties, it seems wise to assume a rate of over-estimation of 20 to 25 per cent, even though the actual rate may well be lower.

Table 26 tabulates the available data on funds to be brought into Canada between 1979 and 1986 by the whole business category of immigrants. Thus, until 1986 data are based on funds brought in by entrepreneurs and by self-employed immigrants; after 1 January 1986, investors are included in the total. The changing balance of entrepreneur and self-employed principal applicants (see Table 3) should therefore be recalled when considering the relative composition of the figures. The data available for 1979 to 1983 are derived from Employment and Immigration estimates and are based on the number of landings per year. After 1983 the statistics reflect the use of visas and are therefore based on the date of issue, not the date of admission to Canada.

With these considerations in mind, it can be seen that the amount of funds to be transferred has risen enormously: from $204 million in 1979 to $1,656 million in 1986, a total of $6,107 million over the eight years shown.* Even allowing for over-estimation, such sums are significant and their increase important. From Table 27 it can be seen that 82 per cent of the 1984 total and 73 per cent of the 1986 figures were attributable to entrepreneur immigration alone, making this component the most important within the business immigrant program in terms of funds transferred.

In 1984, entrepreneur immigrants intended to transfer $669.6 million to Canada; this figure rose to $1,202 million by 1986, and over the period 1984 to 1986 a total of $2,889 million was to be moved into this country. Allowing for a 20 per cent over-estimate, the 1986 figure would represent an actual level of just over $1,000 million transferred, and the three-year total would represent $2,400 million. Even reduced, however, these figures are considerable, and it is useful to compare them with the behaviour of other immigrants and the results of other relevant programs to judge their true economic impact.

Employment and Immigration estimates that between 1983 and 1984 immigrants other than those in the business category brought with them funds amounting to $1,857 million (Employment and Immigration 1984b, 29). This figure is 2.27 times the total brought in by all business immigrants and 2.78 times the amount to be transferred by entrepreneur immigrants that received visas in 1984. However, since business immigrants and their

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* Data are not adjusted for inflation because of the difficulty of correctly estimating actual transfers. However, inflationary effects must be borne in mind when considering the real levels of increase reported here.

dependants made up only 7.1 per cent of all immigration in 1984, the contribution of the business category, in relative terms, is far more important (Employment and Immigration 1986b, 48). The entrepreneur program itself may be contributing in the region of 25 per cent of all funds transferred annually by immigrants to Canada while contributing only 4 per cent to total annual immigration, if dependants are included.

What is the overall significance of the funds attributable to the entrepreneur immigrant component? This is difficult to judge, but some figures will allow comparisons of magnitudes. Thus, Picot and Wannell note that $1,800 million was spent on active labour market programs, such as the Canadian Jobs Strategy and related programs, between 1985 and 1986. Institutional training received $700 million, the largest share (39 per cent) of this total (1987, 102-103). In other words, the immigrants under the business immigration program transferred almost the same amount of funds to Canada in 1986 as were spent on all active labour market programs in this country, while the stated intentions of entrepreneur immigrants with respect to transferring funds easily surpassed the total devoted to institutional training. In terms of all regional industrial development programs in Canada, in fiscal year 1985-1986 a total of $803.6 million was spent by the Department of Regional Industrial Expansion (see Table 28). This represents 80 per cent of the level of funds transferred to Canada by entrepreneur immigrants in 1986 (corrected for 20 per cent over-estimation). Finally, if compared with total direct foreign investment in this country in 1986, investment by business immigrants represented approximately 25 per cent of the estimated gross figure of $6,752 million and 21 per cent of the total amount of Canadian direct investment abroad ($7,963 million) in the same year (Critchley and Reguly 1987).

The average amounts of funds to be transferred per entrepreneur (Table 26) shows an almost continuous increase, from $160,000 in 1979 to $690,000 in 1986. However, such averages represent a series of distortions. Thus, in 1984, on average each business immigrant brought $390,000 to Canada. However, in terms of the entrepreneur component, Table 29 indicates that the national average was $562,000 per principal applicant entrepreneur; the figure varied from $50,000 for Prince Edward Island to $691,000 per entrepreneur in British Columbia. Data for 1984 presented by the Policy and Program Development Branch show that the average not only varied between provinces, but also that it is severely distorted by a very few entrepreneurs transferring large amounts of money. Thus, Table 30 shows that only 11 per cent of entrepreneurs had a net worth of over $1 million according to their proposals, while 42 per cent had a net worth of under $250,000.

These data confirm the impression that most entrepreneur immigrants are small business people. They also point to the main motivation for introducing the investor component of the business immigration program in 1986. One of the successes of the entrepreneur program has been the large amount of funds it brings into Canada. The fact that this success is attributable largely to the activities of only a few entrepreneurs, means that by encouraging the entry of larger numbers of more wealthy entrepreneurs the overall level of funds transferred to Canada can be greatly increased. The new program thus is part of an evolution by which the government is attempting to increase the average level of funds brought into Canada through immigration; the implications about which aspects of the business immigration program the federal government deems most important are also clear.

By the end of 1986, 17 investors had received final immigration approval and declared their intention to transfer to Canada over $27 million, an average of $1.6 million per investor (Policy and Program Development Branch 1987a, Table 10). If its first year of operation is any guide, the new program is meeting its goals. It is also interesting to note that the sums to be brought in are well in excess of the requirements, which are a net worth of $500,000 and a commitment to invest $250,000 for a minimum of three years in a project that contributes to Canadian business development and job creation. However, the steadily increasing average for entrepreneurs ($678,000 in 1986) raises the question of whether the thresholds for the investor category are set too low to distinguish the targeted group precisely enough.

Finally, it is useful to consider the regional pattern of funds to be transferred. Table 27 shows that there is a clear pattern in the distribution of funds: Ontario accounted for 45 per cent of the total to be transferred between 1984 and 1986; Quebec and British Columbia received a little over 20 per cent each, and the small remainder was distributed among the other provinces. Thus only three provinces received any significant portion of the funds to be transferred over this period.

If the simplifying assumption is made that all of the funds to be transferred were invested in the businesses the entrepreneurs intended to establish, it can be seen which industrial sectors and provinces benefit from such transfers. Table 31 indicates that of the total, the largest single amount was devoted to manufacturing industries (37.7 per cent). Accommodation, food and beverage services ranked second, with only 12 per cent of the total, followed by wholesaling and retailing (10.5 per cent and 11.6 per cent respectively). Thus, the provinces' preference for goods production was supported.

However, on closer inspection there are some grounds for disquiet. Ontario's manufacturing received 19 per cent of the total funds to be transferred; in absolute terms this figure ($228 million) exceeded the entire amount of funds to be transferred to the Maritimes, Newfoundland, the Prairies and the Yukon combined. Such investments must surely be aggravating the regional economic differences that already exist, rather than ameliorate them as the immigration program as a whole is supposed to do.

If the distribution of DRIE program funds can be taken to reflect the regional economic development needs of the country (Table 28), the distribution of funds to be transferred between 1984 and 1986 under the entrepreneur immigrant program deviates significantly from this pattern (Table 27).

The differences are marked: Ontario received 45 per cent of entrepreneur funds, but only 22 per cent of DRIE's spending in 1985-86; Newfoundland received 0.01 per cent of the total transferred by entrepreneurs, but 6.6 per cent of DRIE's budget; Quebec received proportionately more from DRIE and British Columbia considerably less from DRIE than from funds transferred by entrepreneur immigrants. In fact, the entrepreneur immigrant program appears to be concentrating funds in only three provinces, to the almost total exclusion of the others; among these three provinces, funds brought in by entrepreneurs are boosting principally Ontario and secondly British Columbia at the expense of Quebec. DRIE funds are allocated more broadly and favour Quebec while contributing far less to Ontario and British Columbia.

In short, the funds to be transferred under the entrepreneur immigrant program can in no way aid regional economic goals. In fact if the pattern persists it will exacerbate the problem by accelerating the growth of differences that regional development programs have been attempting to reduce. Moreover, the situation is worse than it appears because entrepreneur immigration is so concentrated in Montreal, Toronto and Vancouver. Thus, even within the provinces that receive the largest amounts of funds, the program exacerbates regional development problems. Small businesses in Canada do not have a range much beyond 30 kilometres (Thompson 1986b, 12), and entrepreneur immigrant establishments keep to this pattern, largely serving only local city markets (Wong, Schutz and Crone 1985, 51). Thus their influence can only accelerate metropolitan economic development at the expense of peripheral areas.

3.5 The Economic Impact of Entrepreneurs' Origins

One of the more intriguing intangible influences on the economic effects of the entrepreneur immigrant program must surely be country of origin. It could be postulated that this might affect the kinds of activities pursued, the way enterprises are organized, and even where in Canada enterprises are established.

Unfortunately, the data available are grossly inadequate for the sensitive investigation such a question would require. The only data available that might be cross-linked with economic data are on which post abroad is involved in the application for entrepreneur immigration. Thus, the country of last permanent residence, country of birth, and mother tongue of the individuals for whom economic data are available are not known. Indeed, some Canadian posts cover more than one country so that such information is very generalized.

The endeavour must be limited here, therefore, to showing what proportion of jobs to be created or retained and funds to be transferred is attributable to various Canadian posts overseas. In this way the relative importance of each post can be judged and the extent to which particular countries of origin might influence economic activity once in Canada can be gauged (in terms of industrial organization, labour practices and preferred activities, for example). Average employment and funds to be transferred per entrepreneur will also be considered briefly. This will provide a hint of the relative entrepreneurial capacities of principal applicants from various posts. Finally, the provincial destinations for entrepreneur immigrants from four key posts are described, since preferences for certain locations are important economic concerns if they are associated with particular types of activity or organization.

Table 32 tabulates the economic data given in their business proposals by entrepreneur immigrants to Canada between 1984 and 1986. The overwhelming message is that Hong Kong's entrepreneur immigrants dominate the program in terms of jobs to be created and retained and in intended transfer of funds. They are followed by entrepreneurs from Bonn, the United States, the United Kingdom and France in order of importance.* These five areas

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* It will be recalled that the data are by Canadian visa posts abroad. Usually these are referred to by city, but in the case of the United States, the United Kingdom, France, and Italy several posts have been aggregated (see Table 32).

account for the great majority of the jobs entrepreneur immigrants intend to create and the funds they intend to transfer to this country. A clear implication is that practices adopted by entrepreneurs from these countries will have a greater impact than those pursued by entrepreneurs from areas whose contribution to the immigration flow is much smaller.

Table 33 shows that much of the effect of these leading sources of immigrants results from their preponderance in terms of principal applicants. Thus, in terms of numbers of jobs to be created, each Hong Kong entrepreneur intends to hire only 4.97 people, on average. This figure is far below the 11.25 for entrepreneur immigrants from Stockholm or the 10.46 for those from Madrid. Similarly, other posts dominate as sources of applicants who, on average, are leading contributors of funds. Interestingly, they are all European, with Vienna the most important. Entrepreneurs granted visas at this post intend to transfer, on average, over $1.5 million each. However, Bonn regains its leading role when the number of jobs to be retained is considered, its principal applicants recording an average of 5.71 per entrepreneur. The one area that retains the importance it had in absolute terms when considered in terms of average statistics, is the United States. This area ranks fifth in job creation (6.97 jobs) and ties with Singapore for second place in terms of jobs to be retained (4.51 jobs per entrepreneur).

Thus, beyond suggesting that areas such as Hong Kong or Bonn are not dominant when averages are considered, these data show two results. First, if the program needs to be promoted abroad, the most rewarding posts are those in Bonn and the United States since these combine large numbers of entrepreneurs with high average figures per entrepreneur. Second, an interesting glimpse is gained of the characteristics of the enterprises established by entrepreneurs from the leading posts: those from Hong Kong tend, on average, to start relatively smaller businesses than those from Bonn, both in terms of employment and funds transferred, while those from the United States employ more people than those from Bonn, but transfer smaller amounts of funds than those from Hong Kong. Thus, the statistics on entrepreneur immigrants from these three areas illustrate a varied range of experiences and hint at three different sets of entrepreneurial practices.

Finally, Table 34 attempts to analyze the regional impact of these economic effects. Attention is confined here to entrepreneur immigrants applying from the United States, France, Bonn and Hong Kong, because these constitute the leading posts involved (as defined by the number of principal applicants in 1986), and to the number of jobs to be created and funds to be transferred.

The table points to some contrasts. Over 46 per cent of jobs to be created by entrepreneurs from the United States are in Ontario and 22 per cent in British Columbia. This pattern is repeated by entrepreneurs from Hong Kong (although Ontario is preferred) and Bonn (who prefer British Columbia more than those from Hong Kong or the United States). However, entrepreneurs applying at posts in France show a very different pattern, intending to locate 86 per cent of the jobs to be created and 84 per cent of funds to be transferred in Quebec.

Looked at in greater detail, the figures show that the U.S. posts closest to Canada make the greatest contributions in terms of immigration from the United States, while from the perspective of the provinces, the contributions of entrepreneurs from the Bonn post are

particularly felt in New Brunswick and Alberta (telephone interviews, May 1987). Clearly, then, even from this brief analysis it can be seen that the regional impact of entrepreneurs from particular posts can be very focused and very different, depending on the post concerned. This is especially so in view of the marked geographical concentrations of entrepreneur destinations in Canada.

In these three senses, then, the differences between entrepreneurs from different posts have important effects on the economic impact of the entrepreneurial program. It has only been possible to consider a few economic variables, but undoubtedly there are other aspects of the relationship between country of origin and entrepreneurship that merit attention. For instance, family ties and language abilities would encourage and enable immigrant entrepreneurs to develop trading links with their native countries. This would be of great value if the aim is to build exports of products from Canada. The import of skills and expertise not found in this country is obviously of benefit to Canada. The entrepreneurial skills of entrepreneur immigrants may be their single most important asset, and their most significant contribution to the Canadian economy, even if it is the most difficult to quantify.

SECTION 4: THE FUTURE OF THE ENTREPRENEUR IMMIGRANT PROGRAM

This section presents a summary of the strengths and weaknesses of the entrepreneur immigrant program to focus the evaluation before indicating a series of policy initiatives that are needed to ensure that the potential of the program is realized. First, the views of provincial governments on the program are presented. These opinions are essential to evaluating the program, for they represent the thoughts of those administering much of the program and a valuable source of suggestions for improving policies. The analysis here concentrates on entrepreneur immigrants, but the recent development of an investor component cannot be excluded from consideration. This is because if this innovation is successful, it will affect the future of the entrepreneur program itself, since many potential entrepreneurs may choose instead to migrate to Canada as investors.

4.1 Provincial Perspectives on Entrepreneur and Investor Immigration

To establish provincial reactions to the economic effects of the entrepreneur immigration program and to solicit their general opinions on the operation of the program and the new investor category, a series of telephone interviews was conducted in May 1987. This involved a representative from every provincial government and provides an interesting cross section of reactions. Appendix II lists the various ministries and agencies contacted in this survey. Individuals are not named, because some requested anonymity, and direct quotations are not used, but the essence of their comments is preserved.

For Ontario, the goal of the program is to develop employment to remove regional disparities within the province; the objective is not to attract capital. Indeed, the province is not convinced that a shortage of funds is a problem from a national perspective. Overall, the province believes the entrepreneur program is working well and if administered properly and fairly has tremendous potential.

British Columbia expressed satisfaction with entrepreneur immigration, stating that it is the one element of business immigration that consistently bears fruit. Nova Scotia was also pleased with the entrepreneur program, adding that the province felt very strongly that the business proposal was an essential part of the selection of *bona fide* business people and should not be abolished as some have proposed. Nova Scotia saw the value of promoting the program and believed that the careful selection of applicants has ensured its high success rate. Newfoundland had no problems to report with the program and did not point to the very low number of entrepreneur immigrants it receives as evidence of any difficulties. Rather, the province was keen to stress that a number of entrepreneur applications outstanding from 1986 have recently been processed; as a result, the province's statistics will soon receive a valuable boost.

Other provinces were also generally in favour of the program. Quebec certainly was and selects its own entrepreneur immigrants under a federal-provincial agreement currently in force. It also actively promotes itself abroad as a destination for entrepreneurs. Manitoba has recently opened a small office in Hong Kong, with one permanent representative to attract business people. The province is supportive of the program and keen to be involved. Thus,

these provinces demonstrate commitment to the program and by their actions stress the great need to promote it overseas, a view New Brunswick shares, having just begun to promote itself in South East Asia.

Prince Edward Island welcomed the presence of entrepreneurs; many farms that would otherwise be standing idle have been purchased by immigrant farmers who qualify under the program by hiring farm hands. Saskatchewan reported that although the program helps in terms of job creation, the province is not getting its share of landings (relative to its share of GNP or population); thus, provincial inequalities are being exaggerated. Part of the reason was believed to be incomplete or inadequate advertising and promotion of the program; entrepreneurs in Hong Kong are unlikely to have heard of the province. Alberta echoed these opinions, stating that the federal government should ensure entrepreneurs know about provinces other than Quebec, Ontario and British Columbia. The province also felt that it should receive a share of entrepreneur immigration proportional to its share of national population in order to lessen regional disparities.

A greater variety of opinion is found in views on the investor program. New Brunswick expressed the belief that $250,000 was too high a guideline for the investors they wanted and believed a two-tier system of thresholds would be better. Certainly, the current threshold is too high for regions such as Atlantic Canada. Alberta expressed satisfaction with the program and stated that the province had so far approved a number of syndicates and business ventures, mainly in the Edmonton and Calgary areas.* Saskatchewan noted, however, that half the investors who invest in business ventures in the province were not actually settling there. Prince Edward Island had not yet received any applications and Newfoundland had not yet approved any syndicates. Indeed, Newfoundland said it looked for investment to local sources first because of their long-term commitment, then to national sources, and only then to foreign investors. Prince Edward Island had no developed guidelines; Newfoundland is developing its own, although Newfoundland's lack of a securities commission further complicated the situation. Nova Scotia agreed that the lack of a securities commission east of Quebec creates problems and was unhappy with the program because the background of the principal investors is difficult to assess. Nova Scotia was sure, however, that when it admitted investors, there would be few of them and the effects of the program would be limited. The province argued that there is no lack of venture capital in Nova Scotia, and since little of it is invested already in the sort of high-risk areas in which investor immigrants will be likely to invest there seems to be little attraction for such a program in the province.

Turning to other provinces, British Columbia felt the investor program was not working because investors were required to place their money for three years in high-risk syndicates with no return. It would make more sense for them to emigrate as entrepreneurs or independent migrants and earn some interest on the $250,000 investment. In general, the province felt the lack of guidelines from the federal government concerning the operation of the program had caused confusion, but it had approved both syndicates and business ventures. Ontario was not keen on the program. It had not endorsed the syndicate system, arguing that it is impossible to measure its success, to authenticate the experience of the investors, or to issue any approval that was not in itself a legal document. Thus, Ontario

* The terms syndicate and business venture are defined in Appendix I.

would support investment only in approved business ventures because it could assess where these funds were going. Quebec, on the other hand, had approved the use of self-administered syndicates in its operation of the program. Finally, Manitoba was found to be supportive of the scheme, having not only approved an investment syndicate fund but also accepted one proposed business venture worth $250,000.

Thus, provincial opinions on the investor program fall into two groups: those concerned with the philosophy of the program and those concerned with its operation. It seems clear that all provinces are having difficulty with the operation of the program. This stems from the problems of checking the credentials of the investor, approving the syndicates while not wishing to be legally responsible for their financial soundness, and being able to monitor the activities of such syndicates. In many ways the current format of the program gives carte blanche to investors intending to enter Canada, and the uncertainties of how and where the investments are to be made raises many difficulties. The partial solution appears to be to focus on approved business ventures as the targets of investment, because these can be identified and monitored, but the difficulties surrounding investment vehicles remain.

In terms of philosophy, it is also clear that provinces such as Ontario and Nova Scotia, which believe there is no shortage of risk capital, are unlikely to see any urgency in the scheme, while provinces like Newfoundland have learned through experience that investment from overseas cannot be depended upon to remain in the province for very long. Add to this the sense that the program will always be very limited and that it may cost as much to monitor and operate as it is worth to some provinces, as well as a distinct unease about appearing to be selling visas, and it can be seen that provinces are reluctant to become involved extensively in the program for a variety of reasons. The unfortunate lack of guidelines during the first year of the program has only reinforced this reluctance. No province offered any tax concessions or other financial inducements to potential investor immigrants; the only method advocated to attract them was more extensive promotion. Perhaps this alone (qualified, as it must be, by the legislation concerning such matters) is indicative of the provinces' overall lukewarm reaction. As one commentator argued, "It's a product chasing a market."

Thus, although the investor program was viewed as a logical development from the entrepreneur program (see Section 1.2), the provincial view is that it is largely an unwelcome development. In their eyes the entrepreneur program is the most useful part of business immigration and the one that should receive the most effort in terms of future refinements. This study concludes by indicating the possible shape of such improvements.

4.2 Conclusions

The entrepreneur immigrant program represents a concentration or distillation of several factors and several major areas of policy. It concerns entrepreneurs and so is clearly influenced by the needs and problems of small businesses in Canada; it concerns migrants and so is affected by the characteristics and desires of immigrants and by the overall difficulties there are in controlling such flows and selecting applicants. Losing sight of its hybrid nature presents the risk of failing to see its problems and the forces, both economic and social, that shape its outcome. Two facts – that migration between provinces involves flows greater than

any flows of entrepreneurs discussed in this paper, and that the emigration of people, skills and capital from this country exceeds whatever entrepreneurs bring to Canada – surely make clear that those who pin so much hope on business immigration must also understand that these countervailing forces do much to reduce the net effects of business immigration. Indeed, these forces may deserve as much attention, for they can have as much impact on the desired result (Employment and Immigration 1981, 185; Statistics Canada, 1985, 35).

Accordingly an attempt has been made to evaluate the entrepreneur immigration program strictly in terms of the goals set out by the government. Undoubtedly there were many unrealized objectives during the first phase of the program (1979 to 1983); however, it would be fair to say that the concentrated efforts of immigration authorities have now succeeded in correcting these problems. The program has become a success in many ways. The analysis in Section 3 showed that entrepreneurs coming to Canada in recent years have met program requirements in terms of intended job creation and have respected provincial preferences for goods production in the types of enterprises to be established. The program has played some part in countering the harsh effects of industrial restructuring. Entrepreneur immigrants have also brought a wide range of skills into the country and have transferred a sizeable amounts of funds to Canada.

However, there are still problems; perhaps the most fundamental of these lie within the program's own terms and goals. Quite simply, the program is not alleviating regional economic disparities in Canada. There is no doubt that this is a goal of the program, and the provinces are quite clear that it should be, some even arguing that this issue is more important than the total amount of funds to be transferred (although these are not necessarily separate problems). It has been seen that disparities operate at the national level and at the provincial level and that they exist in every aspect of the program: number of entrepreneurs, jobs to be created, jobs to be retained, enterprises to be established and funds to be transferred. It has even been noted that the poorer provinces must settle for entrepreneurs who bring in lower than average amounts of funds (in national terms) and industries that tend to be service-oriented. Of course the program could not be expected to remove regional inequalities entirely, but it might reasonably be expected to preserve the status quo, even if it could not ameliorate the situation. In fact, it is accelerating and exacerbating these differences and so is actually working against its own goals.

Moving beyond the program's frame of reference a second major concern, it can be seen that other immigration programs have as much effect on all the areas of economic activity that have been examined. Certainly, the proportional impact of entrepreneur immigration is greater, but this must be balanced by the fact that family reunification or refugee reception are not principally economic objectives. Thus, the fact that immigrants entering Canada under these programs perform so well economically is in a sense a bonus. This analysis seems to indicate that more notice should be taken of the economic successes of the overall immigration program, for they are in no way dimmed by a comparison with the entrepreneur program. Indeed, its success must make the evaluation of the entrepreneur program more demanding and critical.

Finally, it has been observed that the overall economic impact of the entrepreneur immigrant program can only ever be very limited. Thus, for example, compared with the total of 3,399,000 Canadians employed in goods-producing industries in March 1987 and

8,413,000 in services production, the job creation impact of the program is very small even if allowance is made for employment multiplier effects (Schwartz 1982, 5-8; Mansell 1985, 360; Statistics Canada 1987a, 20). Increased levels of entrepreneur immigration in the future will not change this situation to any marked degree.

The importance of the program seems to lie rather in the strategic use of its potential to support and develop industries in key locations and key sectors. The program can have little overall economic impact, but it could make a significant contribution, for example, to a small community threatened with economic extinction by plant closure. In this sense the trend toward goods production and the retention of manufacturing jobs by the entrepreneurs admitted under the program bodes well, because it is the manufacturing sector and those parts of the country that specialize in goods production industries that have been hardest hit by the recession and industrial restructuring that have occurred in the last decade (Moloney 1986, 92; Picot and Lavallée, 1986, 7; Picot and Wannell 1987, 92-95). In the final analysis, therefore, if the program is to have worthwhile effects, its future seems to lie in the ability to select entrepreneur immigrants who will locate essential industries in key locations that urgently require support.

It remains to suggest some possible solutions to the problems that have been discussed. It has been argued that the principal difficulties lie in the regional distribution of the program's effects, in the program's inability to achieve overall economic effects, and in its hybrid nature as an entrepreneur and immigration program. The solutions proposed must therefore attempt to remedy these difficulties, recognize the problems, and turn these weaknesses into the strengths of new policies. Thus, for example, because of the mixed nature of the program policy solutions must address immigration and economic concerns as well as dealing with administrative problems. The regional and sectoral biases within the program must be remedied or diverted to more beneficial purposes. Finally, inflated expectations must be tempered by setting more realistic objectives. With these considerations in mind, it is possible to isolate perhaps eight areas where policy initiatives and future research are necessary.

First, it is essential that the program be monitored carefully and the progress of each entrepreneur followed. A system is needed to ensure not only that the requirements are met by individuals but also to make available data on the actual long-term achievements of immigrants under the program. Failing this, it would be most useful to embark on a detailed survey of a large sample of entrepreneurs who have landed recently. This would permit an effective comparison with the 1985 evaluation and, more important, could address many crucial questions concerning, for example, wage rates, the volume of exports, and the extent of part-time employment. Issues such as the entrepreneur immigrants' actual level of investment in Canadian industry and their contribution of funds ("remittances") to relatives and friends overseas should also be considered for analysis. None of this is possible using the aggregate data available, and without such information the program's successes, significance and progress can neither be evaluated properly nor compared with the experiences of other entrepreneurs in Canada.

Second, more work is required to ascertain how successful the marketing of the program has been and what refinements or incentives might be added to enhance the program's attractiveness. It would be useful to know more about the potential number of business

immigrants that might be attracted to Canada and to be aware of the activities of countries that compete with Canada for such immigrants. Certainly, some attention is needed to the potential for increasing business immigration from Hong Kong and to the effects of the transition of power in 1997, in terms of the emigration of entrepreneurs and investors from there. Without this general knowledge it will be difficult to assess whether modifications designed to improve the entrepreneur immigration program will attract larger numbers of entrepreneurs or will actually deter a significant number.

Third, it is of great importance that the other immigrant programs not be forgotten. They too achieve considerable economic successes. Thus, for example, as the entrepreneur program moves more and more toward requirements based on acumen and business expertise and away from those based on job creation, it should be remembered that many Family Class, Refugee and self-employed migrants have these qualities. Certainly in the case of the first two classes, this means that those who seek to boost 'economic' immigration to Canada would do well to realize that the effective size of that stream is already much larger than current classifications reveal. These considerations must be recognized in setting future levels for individual classes and categories and in altering the priorities and other program preferences for which migrants are eligible. Many of those capable of making a real contribution are being overlooked and are in danger of being unfairly denied access to Canada or priority in treatment. It is also fair to add here that a number of difficulties present in the entrepreneur immigration program are shared with other immigration programs; they are inherent in the laws and regulations governing Canadian immigration. Thus, for example, it is not possible to control the final destination or occupation of any immigrant entering Canada, even though this would be valuable from an economic planning perspective. Entrepreneur immigration would therefore benefit, as much as any other immigration program, from policy initiatives that seek to solve these general problems and from modifications, such as the use of incentives, that seek to direct the flow of immigration.

Fourth, this study of entrepreneur immigration suggests that the goal of regional economic development cannot be achieved without a comprehensive government policy for the development of new small businesses across the country. This is not only because the entrepreneur immigrant program cannot achieve such a goal by itself, but also because its successes are limited by constraints that affect the development of all enterprises in this country. Consequently, federal initiatives are needed and greater co-ordination by the successors to the Department of Regional Industrial Expansion is required to encourage not just entrepreneur immigrants, but all Canadian entrepreneurs to develop those sectors of the economy and those regions of Canada that need new businesses.

Fifth, the investor program must be refined if it is to be a useful development and supplement to the entrepreneur program. It would seem essential to ensure that investments are directed to known business ventures that benefit specific locations, so that they can be monitored easily and the results of the program can be identified. Moreover, the federal government must take the initiative in encouraging the development of provincial government-approved investment vehicles. Only in these ways can the program develop to any extent in the future, for it needs a sure footing to build upon, and to win greater provincial acceptance its results must be made more tangible.

Sixth, it is essential that future entrepreneur immigration be much more sensitive to regional development problems and that the entrepreneur immigrant program play its part in alleviating economic disparities across the country, to the extent that it can given the difficulties already mentioned. Certainly, the Standing Committee on Labour, Employment and Immigration pointed to this in 1985, arguing that

> applications from potential entrepreneurial immigrants who wish to come to areas experiencing severe unemployment problems should be encouraged and given priority within the entrepreneurial class (Employment and Immigration 1985c, 8).

In other words, the program needs to be more oriented to needy areas. It is possible to go further and suggest that it also needs to be directed to specific necessary industries. Indeed, because specific enterprises are often associated with particular geographic locations, such added stipulations might have greater success in ensuring entrepreneurs went to areas requiring economic development.

The government rightly points out that the "Immigration Act, 1976 and the Canadian Charter of Rights and Freedoms do not allow the Commission to insist that an immigrant take up residence in one specific location" (Employment and Immigration 1985c, 8). However, steps could be taken to ensure that a greater volume of entrepreneur immigrants did go to desired locations. A point system could be used to evaluate applications from entrepreneurs, with points weighted to favour selected locations, industrial sectors, the maintenance of specific industries in specific parts of Canada, and the avoidance of large metropolitan areas.

However such ideas are implemented, it is crucial that the program achieve a better focus on specific areas of Canada and specific industries. This is the key to reform, because it will permit the removal of the regional inequalities in the current program and allow the program to achieve its full potential in terms of economic success by concentrating its effects in specific areas. Certainly such moves would ensure that, in attempting to attract employment creation or risk capital to Canada, the program no longer risks jeopardizing the successes of other government programs or exacerbating and accelerating existing regional inequalities.

Seventh, a better balance must be struck between federal and provincial objectives. Thus it would appear that the federal government lays particular stress on the volume of funds brought in by entrepreneurs (the logic that led to the investor program). However, provincial governments are more concerned with job creation and recruiting skilled individuals. Until these two goals are reconciled, there will be discord. Both sides need to recognize the other's view: the federal government may benefit in terms of national accounts from large transfers of funds, but many of the provinces neither see this as a pressing issue at a provincal level nor believe it to be a primary problem for the program to resolve. The solution appears to be that the program should concentrate on projects whose impact, in terms of job creation and the establishment of businesses, can be readily identified at the local level.

The final area where future policy initiatives are required also concerns federal-provincial relationships. On June 3, 1987 the First Ministers signed a constitutional accord that has the potential to alter the current division of responsibility for immigration matters

between the federal and provincial governments. It is therefore necessary to speculate on the implications of this accord, commonly referred to as the Meech Lake Accord, for the business immigration program.

The Accord commits the Government of Canada to concluding an agreement with the Government of Quebec that will incorporate the principles of the Cullen-Couture Agreement, signed in 1978. The Cullen-Couture Agreement gave Quebec a predominant role in the recruitment and selection of immigrants in the Independent Class; business immigrants, it will be recalled, form one category within the Independent Class. At present Quebec establishes targets for independent immigrants, employs recruiters and, in conjunction with federal immigration officials, selects independent immigrants abroad. The agreement to be concluded between Quebec and Canada pursuant to the Meech Lake Accord will guarantee Quebec a share of immigrants proportional to its share of the population of Canada, with the right to exceed that figure by five per cent. The Accord also allows for the negotiation of similar agreements between the federal government and other provinces.

The Accord is relevant to business immigration policy in two respects. First, in the context of the current operation of the business immigration program the Accord presents the possibility of provincial competition for business immigrants, both at the level of establishing targets and in recruitment abroad. The poorer provinces would be less able to finance elaborate recruitment programs and would consequently face a reduction in their share of business immigration. Second, the devolution of power to the provinces would make it extremely difficult for the federal government to implement a business immigration policy geared to reducing regional disparities. Such a policy has been recommended in this paper, but its effectiveness would depend on a predominant role for the federal government in recruiting and selecting business immigrants.

These eight areas of concern encompass the principal problems now facing the entrepreneur immigrant program. Further research and the development of public policy in these areas will enable the program to rise above its difficulties and to realize its full potential.

APPENDIX I: REGULATORY DEFINITIONS

The following directly quotes the text of the regulatory definitions given by Employment and Immigration for each component of the business immigrant program.

1. **Entrepreneurs**
   Entrepreneurs are described as persons who have the intention and ability to establish, purchase, or make a substantial investment in a business venture in Canada which the person will manage on an active basis. The venture must make a significant contribution to the economy and must result in the creation or maintenance of employment opportunities for one or more Canadian citizens or permanent residents, other than the entrepreneur and his dependants. This category accommodates experienced business persons whose background is oriented towards the management of small to medium size enterprises.

2. **Self-employed**
   Self-employed immigrants are described as persons who have the intention and ability to establish a business in Canada that will employ only the applicant and that the business must contribute to the economy, or the cultural or artistic life of Canada. This category accommodates individuals who, although they may not create or preserve jobs for Canadians, nevertheless make a significant contribution in economic and artistic terms, such as farmers, sports personalities, artists, members of the performing arts and operators of small outlets which certain communities may need.

3. **Investors**
   Investors are described as persons who have a proven track record in business, and have a personal net worth of $500,000 or more. Investors are required to make an investment of a minimum $250,000 for at least three years, in a project which has been assessed by the province as being of significant benefit to its economy, and which will contribute to the creation or continuation of employment opportunities for Canadian citizens or permanent residents other than the investors and their dependants. Each investment proposal requires government support. Applicants in the investor category have three investment options for their funds. They may choose to invest:
   a) in a business or commercial venture;
   b) in a privately administered investment syndicate, supported by the province in which the syndicate will make investments; or
   c) in a government-administered venture capital fund, targeted to business development.

Source: Employment and Immigration 1985b, 2.

APPENDIX II: GOVERNMENT DEPARTMENTS INTERVIEWED

Telephone interviews were conducted in May 1987 with officials from the following departments:

(a) Provincial

Newfoundland	Department of Development and Tourism
P.E.I.	Department of Industry, Research and Planning
New Brunswick	Department of Commerce and Technology
Quebec	Ministère des Communautés culturelles et de l'Immigration du Québec, Service aux entrepreneurs
Ontario	Ministry of Industry, Trade and Technology, Immigrant Entrepreneur Section
Manitoba	Department of Industry, Trade and Technology, Trade and Industry Division
Saskatchewan	Saskatchewan Economic Development and Trade, International Operations Division
Alberta	Alberta Manpower; Alberta Career Development and Employment
British Columbia	Ministry of International Trade and Investment

(b) Federal

Department of External Affairs	Immigration and Refugee Affairs Division

Interviews were also conducted in the same month with the following Canada Employment and Immigration Commission offices:

Newfoundland	CEIC Regional Office, St. John's
Nova Scotia	Recruitment and Selection, CEIC Regional Office, Halifax
New Brunswick	CEIC Regional Office, Fredericton
Quebec	Recruitment and Selection, CEIC Regional Office, Montreal

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Table 1: Business Immigration, 1979 - 1987: Principal Applicant Landings by Component

Year	Entrepreneur No.	Entrepreneur %	Self-employed No.	Self-employed %	Investor No.	Investor %	Total No.
1979	183	14.8%	1,054	85.2%	-	-	1,237
1980	213	13.7%	1,343	86.3%	-	-	1,556
1981	256	13.5%	1,647	86.5%	-	-	1,903
1982	436	21.4%	1,604	78.6%	-	-	2,040
1983	523	26.4%	1,459	73.6%	-	-	1,982
1984	1,014	51.2%	886	46.6%	-	-	1,900
1985	1,453	74.2%	504	25.8%	-	-	1,957
1986	1,675	76.5%	509	23.3%	5	0.23%	2,189
1987	698	76.7%	207	22.7%	5	0.55%	910
Total, 1979-86	5,753	38.97%	9,006	61.00%	5	0.03%	14,764
Average, 1979-86	719		1,126				1,846

Notes:

1979 data are under-estimated because some business immigrant landings were processed under other immigrant categories (Employment and Immigration 1986b, viii).

1987 data are based on the first five months of the year only and tabulated only for comparative percentage use.

Sources: 1979: Wong, Schutz and Crone 1985, 38; Employment and Immigration 1985b, 21.

1980-83: Employment and Immigration 1986b, 48.

1984-87: Employment and Immigration, Landed Immigrants Data System, unpublished tabulations, June 11-12, 1987.

Table 2: **Annual Percentage Change in Principal Applicant Landings of Business Immigrants, by Component**

Year	Entrepreneur	Self-employed	Total
1980	+14.08%	+27.42%	+25.79%
1981	+16.80%	+22.64%	+23.30%
1982	+70.31%	-2.61%	+7.20%
1983	+19.95%	-9.04%	-2.84%
1984	+93.88%	-39.27%	-4.14%
1985	+43.29%	-43.12%	+3.00%
1986	+15.28%	+9.92%	+11.85%
1979-86	+815.30%	-51.71%	+76.96%

Source: Calculations based on data provided in Table 1.

Table 3: **Total Landings, Dependants and Principal Applicants, by Component of Business Immigration, 1980 - 1986**

Year	ENTREPRENEUR			SELF-EMPLOYED			INVESTOR			TOTALS		
	Principal Applicant	Dependants[a]	Total	Principal Applicant	Dependants[a]	Total	Principal Applicant	Dependants[a]	Total	Principal Applicant	Dependants[a]	Total
1980	213	506	719	1,343	3,054	4,397				1,556	3,560	5,116
1981	256	644	900	1,647	3,481	5,128				1,903	4,125	6,028
1982	436	1,039	1,475	1,604	3,285	4,889				2,040	4,324	6,364
1983	523	1,342	1,865	1,459	2,901	4,360				1,982	4,243	6,225
1984	1,014	2,541	3,555	886	1,819	2,705				1,900	4,360	6,260
1985	1,453	3,511	4,964	504	1,018	1,522				1,957	4,529	6,486
1986	1,675	4,190	5,865	509	1,120	1,629	5	18	23	2,189	5,328	7,517
1987[b]	698	1,687	2,385	207	376	583	5	16	21	910	2,079	2,989
Total 1980 to 1986	5,570	13,773	19,343	7,952	16,678	24,630	5	18	23	13,527	30,469	43,996
Total as % 1980 to 1986	28.8%	71.2%	100.0%	32.3%	67.7%	100.0%	21.7%	78.3%	100.0%	30.7%	69.3%	100.0%

Notes:

a. 'Dependants' includes spouses and dependants.
b. 1987 data are incomplete and based only on the first five months of the year.

Sources: Employment and Immigration, 1986b, Table IM 14; Employment and Immigration, Landed Immigrant Data System, unpublished tabulations for 1985 and 1986 (2 June 1987), 1987 (12 June 1987).

Table 4: Total Immigration, by Class and Category, 1980 - 1986

Class/Category[a]		1980	1981	1982	1983	1984	1985	1986
Family Class	No.	51,039	51,025	49,993	48,713	43,814	38,518	42,181
	%	35.7	39.7	41.3	54.6	49.7	45.7	42.5
Assisted Relatives	No.	13,531	17,592	11,948	4,997	8,167	7,396	5,887
	%	9.5	13.7	9.9	5.6	9.3	8.8	5.9
Refugee Classes[b]	No.	40,348	14,980	16,927	13,970	15,343	16,760	19,140
	%	28.2	11.6	14.0	15.7	17.4	19.9	19.3
Business	No.	5,116	6,028	6,364	6,225	6,260	6,486	7,517
	%	3.6	4.7	5.3	7.0	7.1	7.7	7.6
Other Independents	No.	31,549	36,944	33,682	13,178	12,343	13,051	22,617
	%	22.0	28.7	27.8	14.8	14.0	15.5	22.8
Retired	No.	1,548	2,063	2,252	2,094	2,313	2,100	1,833
	%	1.1	1.6	1.9	2.3	2.6	2.5	1.8
Total	No.	143,133	128,632	121,166	89,177	88,239	84,311	99,175
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total, as % of 1980 level		100.0	89.9	84.7	62.3	61.6	58.9	69.3

Notes:

a. Assisted Relatives, Business, Retired and Other Independents are categories of the Independent Immigrant Class.
b. Defined as Convention Refugees and members of Designated Classes.

Sources: Employment and Immigration 1986b, Table IM14; Employment and Immigration, Landed Immigrant Data System, unpublished tabulations for 1985 and 1986 (2 June 1987).

Table 5: **Average Number of Dependants per Principal Applicant, by Component, 1980-1986**

Year	Entrepreneur	Self-employed	Investor	Total
1980	2.38	2.27	-	2.29
1981	2.52	2.11	-	2.17
1982	2.38	2.05	-	2.12
1983	2.57	1.99	-	2.14
1984	2.51	2.05	-	.29
1985	2.42	2.02	-	2.31
1986	2.50	2.20	3.6	2.43
Total	2.47	2.10	3.6	2.25

Source: Calculations based on data provided in Table 3.

Table 6: **Origins of Canada's Business Immigrants, 1981 - 1986, by Country of Last Permanent Residence**

Country	1981		1982		1983		1984		1985		1986	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Hong Kong	68	3.6	91	4.5	338	17.1	658	34.7	785	40.1	677	30.9
United States	225	11.8	166	8.1	125	6.3	100	5.3	133	6.8	146	6.7
West Germany	207	10.9	405	19.9	394	19.9	202	10.6	202	10.3	127	5.8
United Kingdom	227	11.9	256	12.6	154	7.8	104	5.5	67	3.4	88	4.0
Taiwan	-	-	24	1.2	56	2.8	41	2.2	45	2.3	87	4.0
France	89	4.7	177	8.7	163	8.2	94	5.0	69	3.5	83	3.8
South Korea	-	-	-	-	-	-	-	-	-	-	75	3.4
Philippines	-	-	-	-	22	1.1	34	1.8	43	2.2	73	3.3
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	62	2.8
Lebanon	-	-	52	2.6	23	1.2	36	1.9	38	1.9	55	2.5
Belgium	57	3.0	-	-	-	-	-	-	-	-	-	-
Iran	60	3.2	-	-	-	-	-	-	-	-	-	-
Israel	67	3.5	59	2.9	-	-	-	-	-	-	-	-
Switzerland	97	5.1	71	3.5	48	2.4	26	1.4	36	1.8	-	-
Netherlands	110	5.8	92	4.5	36	1.8	48	2.5	42	2.1	-	-
Total, top ten	1,207	63.5%	1,393	68.3%	1,359	68.5%	1,343	70.8%	1,460	74.6%	1,473	67.3%
Total, rest	696	36.5%	647	31.7%	623	31.5%	557	29.2%	497	25.4%	716	32.7%
Total, all	1,903	100%	2,040	100%	1,982	100%	1,900	100%	1,957	100%	2,189	100%

Notes:

Detailed data are tabulated only for the ten leading countries each year; order is determined by 1986 ranking.

Sources: Employment and Immigration, Policy and Program Development Branch 1984, 29; 1986, graph 2; 1987a, graph 2; Employment and Immigration 1985b, 22; 1986b, Table IM14; Employment and Immigration, Landed Immigrant Data System, unpublished tabulations for 1985 and 1986 (2 June 1987).

Table 7: Destinations of Canada's Business Immigrants, 1981 - 1986, by Province

Region	Percentage of Annual Total Business Immigration						% Total 1981-86
	1981	1982	1983	1984	1985	1986	
Ontario	37.3	35.6	38.8	47.1	40.8	37.6	39.4
Quebec	21.4	25.9	22.4	21.7	26.1	29.8	24.7
British Columbia	23.0	20.8	20.0	15.6	19.9	19.3	19.8
Total, Three Provinces	81.7	82.3	81.2	84.4	86.8	86.7	83.9
Prairies							
Alberta	8.5	8.5	8.2	6.3	3.7	6.4	6.9
Manitoba	5.0	5.2	6.3	5.1	4.1	2.7	4.9
Saskatchewan	1.2	0.9	1.1	2.3	2.9	2.2	1.8
Total, Prairies	14.7	14.6	15.6	13.7	10.7	11.3	13.6
Atlantic							
Nova Scotia	1.4	1.2	1.0	0.8	0.7	0.9	1.0
New Brunswick	1.3	1.3	1.4	0.8	1.2	0.4	1.1
P.E.I.	0.3	0.3	0.5	0.2	0.3	0.4	0.3
Newfoundland	0.4	0.3	0.2	0.1	0.0	0.0	0.1
Northern							
Yukon & N.W.T.	0.4	0.0	0.4	0.1	0.3	0.3	0.2
Total, Atlantic and Northern	3.8	3.1	3.5	2.0	2.5	2.0	2.7
Total, Business Immigration	1,903	2,040	1,982	1,900	1,957	2,189	11,971

Sources: Employment and Immigration, Policy and Program Development Branch 1984, 30; 1987a, graph 1; Employment and Immigration, 1985b, 23; 1986b, Table IM14; Employment and Immigration, Landed Immigrant Data System, unpublished tabulations for 1985 and 1986 (2 June 1987).

Table 8: **Business Immigration Destinations Compared with Overall Immigration and National Population, 1986**

Region	1986 Population		1986 Immigration		1986 Business Immigration	
	Total	%	Total	%	Total	%
Ontario	9,101,695	36.0	49,578	50.0	824	37.64
Quebec	6,532,460	25.8	19,454	19.6	653	29.83
British Columbia	2,883,365	11.4	12,546	12.7	422	19.28
Prairies						
Alberta	2,365,825	9.3	9,671	9.8	140	6.40
Manitoba	1,063,015	4.2	3,748	3.8	59	2.70
Saskatchewan	1,009,615	4.0	1,859	1.9	48	2.19
Atlantic						
Nova Scotia	873,175	3.5	1,097	1.1	19	0.87
New Brunswick	709,440	2.8	639	0.6	9	0.41
P.E.I.	126,645	0.5	168	0.2	9	0.41
Newfoundland	568,350	2.2	274	0.3	0	0.00
Northern						
Yukon	23,505	0.1	49	0.04	5	0.22
N.W.T.	52,235	0.2	67	0.06	1	0.05
Total, Canada	25,309,330	100.0	99,175[a]	100.0	2,189	100.00

Note:

a. Includes 25 immigrants whose destinations were not stated.

Sources: Total population extracted from Statistics Canada 1987b, 5; 1986 immigration data based on unpublished tabulations provided by Employment and Immigration, Landed Immigrant Data System (1-2 June 1987).

Table 9: Business Immigration: Female Principal Applicants 1983 - 1984

CLPR[a]	1983	1984
Entrepreneur		
Hong Kong	24	72
Italy	-	4
Honduras	-	2
West Germany	2	8
Taiwan	9	5
Total, top countries	40	89
Total, other countries	12	20
Total, all[b]	52	109
% of all principal applicants	9.9%	10.7%
Self-employed		
Hong Kong	34	24
West Germany	28	8
United States	21	18
France	18	16
United Kingdom	8	6
Total, top countries	109	72
Total, other countries	67	38
Total, all	176	110
% of all principal applicants	12.9%	13.7%

Note:

a. CLPR denotes Country of Last Permanent Residence.
b. In 1983, a total of 12 source countries were identified, in 1984 there were 17.

Source: Employment and Immigration, Policy and Program Development Branch 1985, Tables 2.6, 3.5 and 3.6.

Table 10: **Selected Socio-demographic Characteristics of Entrepreneur Business Immigrants, 1979 - 1984: All Principal Applicants Admitted by National and City Totals**

Characteristic		Canada No.	Canada %	Six Cities[a] No.	Six Cities[a] %
A.	**Sex**				
	Male	2,480	91.2	1,719	91.6
	Female	236	8.8	158	8.4
	Total	2,729	100.0	1,877	100.0
B.	**Age Group**				
	Under 25	33	1.2	21	1.1
	25-34	473	17.4	346	18.4
	35-44	969	35.6	681	36.4
	45-54	966	35.5	642	34.3
	55-64	253	9.3	165	8.8
	65 and over	26	1.0	18	1.0
	Total	2,720	100.0	1,873	100.0
C.	**Marital Status**				
	Single	324	11.9	232	12.4
	Married	2,281	83.7	1,568	83.5
	Other	121	4.4	77	4.1
	Total	2,726	100.0	1,877	100.0
D.	**Official Language**				
	English	1,634	62.4	1,129	63.0
	French	129	4.9	87	4.8
	English & French	261	10.0	185	10.3
	Neither	595	22.7	392	21.9
	Total	2,619	100.0	1,793	100.0
E.	**Years of Schooling**				
	0-6	87	3.3	63	3.5
	7-12	1,140	43.0	737	41.1
	13-18	1,267	47.8	893	49.8
	19-24	156	5.9	101	5.6
	Total	2,651	100.0	1,794	100.0
F.	**Educational Attainment**				
	Primary	744	28.5	511	28.5
	Secondary	611	23.3	396	22.1
	Trade	322	12.3	215	12.0
	University	905	34.6	649	36.2
	Other	33	1.3	21	1.2
	Total	2,615	100.0	1,792	100.0

Note:

a. The six cities are Montreal, Toronto, Winnipeg, Edmonton, Calgary and Vancouver.

Source: Wong, Schutz and Crone 1985, 36. (Their data on sex and years of schooling have been recalculated so that the absolute numbers they quote correspond with the percentages they present.)

Table 11: Total Immigrants by Class and Category, Years of Schooling, Ontario, 1985

Immigration Class/Category	Percentage with this amount of schooling: Under 5 years	5-8 years	9-12 years	Over 12 years	Not Stated	Total in Class or Category
Family	20.24	22.15	34.88	22.68	0.05	19,089
Assisted	24.18	22.64	31.92	21.17	0.09	3,490
Refugee & Designated	30.03	18.39	29.53	21.97	0.09	8,216
Other Independent	13.64	12.81	37.31	36.24	0.00	6,401
Business	23.90	14.91	33.46	27.69	0.04	2,615
Retired	7.18	13.17	46.90	32.75	0.00	919
Total	21.46	19.30	34.11	25.09	0.05	40,730

Source: Ontario Ministry of Citizenship and Culture, Ethnocultural data base, unpublished tabulation for 1985 (4 December 1986).

Table 12: Estimates of Total Intended Job Creation by Entrepreneur Immigrants, 1979 - 1986

	Entrepreneur Immigrants		Business Immigrants		
	Total No. Principal Applicants (1)	Total No. Jobs Created and Retained[d] (2)	Total No. Jobs to be Created (3)	Total No. of Principal Applicants (4)	Average Number of Jobs per Entrepreneur[e] (5)
Year of Landing[a]					
1979[c]	183	915	2,152	1,237	5.0
1980	213	1,065	2,621	1,556	5.0
1981	256	1,280	3,183	1,903	5.0
1982	436	2,180	4,220	2,040	5.0
1983	523	2,615	4,597	1,982	5.0
	1,611	8,055	16,773	8,718	5.0
Year of Visa[b]					
1984	1,192	7,508	-	-	6.30
1985	1,681	9,249	-	-	5.50
1986	1,774	11,515	-	-	6.49
	4,647	28,272	-	-	6.08
Totals	6,258	36,327	-	-	5.80

Notes:

a. The 1979 to 1983 data given by Employment and Immigration are not actual numbers of jobs created; they are hypothetical and are derived by assuming that each entrepreneur met the job creation regulations then in force.

b. The 1984 to 1986 data are not actual number of jobs created; they are the number of employees the entrepreneurs intend to hire according to their business proposals.

c. 1979 data are under-estimated because some business immigrant landings were processed under other immigrant categories (Employment and Immigration 1986b, viii).

d. The data for 1979 to 1983 are found by subtracting column 4 from column 3. The resulting total shown in column 2 is also the equivalent of multiplying column 1 by five. Provisional figures for 1980 and 1981 tabulated by Employment and Immigration have been revised following data given in Table 3.

e. Averages given refer to the average number of jobs created or retained per principal applicant entrepreneur immigrant.

Sources: 1979-1983: Employment and Immigration 1985b, 21; Employment and Immigration, Policy and Program Development Branch 1986, Graph 1 and p. 1; 1987a, Tables 1 and 7.

1984-1986: Department of External Affairs, MASENT unpublished data base reports, 24 July 1986 (for 1984), 22 January 1986 (1985) and 11 February 1987 (1986).

Table 13: Full-time Job Creation by Entrepreneur Business Immigrants, 1978 - 1984

Full-time Jobs per Entrepreneur	Number of Entrepreneurs No.	%[a]	%[b]	Total Jobs Created No.	%
0	40	15	11	0	0
1	42	15	12	42	1
2	32	12	9	64	2
3	29	11	8	87	2
4	18	6	5	72	2
5	21	8	6	105	3
6-10	41	15	12	329	8
11-20	27	10	8	391	10
21-50	14	5	4	452	12
51-100	5	2	1	371	10
101-500	2	1	0	410	11
501 +	1	0	0	1,500	39
	272	100%		3,823	100%
No business	81		23		
	353		100%		

Notes:

a. Percentages based only on those entrepreneurs who established businesses.

b. Percentages include 81 entrepreneurs who did not establish a business.

Source: Wong, Schutz and Crone 1985, 58.

Table 14: **Part-time Job Creation by Entrepreneur Business Immigrants, 1978 - 1984**

Full-time Jobs per Entrepreneur	Number of Entrepreneurs		Total Jobs Created	
	No.	%	No.	%
1	33	29	33	2
2	27	24	54	3
3	19	17	57	3
4	7	6	28	2
5	6	5	30	2
6-10	12	10	83	5
11-20	6	5	77	4
21-50	2	2	74	4
51-100	1	1	58	3
101-500	0	0	0	0
501+	1	1	1,300	72
	114	100%	1,794	100%

Source: Wong, Schutz and Crone 1985, 59.

Table 15: Intended Number of Jobs to be Created and Retained, 1984 - 1986, by Province

Province	1984		1985		1986					
	Total		Total		Created		Retained		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Ontario	4,038	53.78	4,715	51.00	3,473	41.41	2,119	67.74	5,592	48.60
Quebec	891	11.87	1,367	14.78	1,908	22.75	136	4.35	2,044	17.80
British Columbia	1,352	18.01	1,912	20.67	2,107	25.12	581	18.58	2,688	23.30
Alberta	576	7.67	605	6.54	588	7.01	221	7.07	809	7.00
Manitoba	442	5.89	203	2.19	146	1.74	27	0.86	173	1.50
Saskatchewan	130	1.73	256	2.77	53	0.63	22	0.70	75	0.70
Nova Scotia	36	0.48	47	0.51	87	1.04	10	0.32	97	0.80
New Brunswick	32	0.43	83	0.90	13	0.16	10	0.32	23	0.20
P.E.I.	8	0.11	26	0.28	10	0.12	0	0.00	10	0.10
Newfoundland	-	-	1	0.01	2	0.02	0	0.00	2	0.02
Yukon	-	-	27	0.29	0	0.00	2	0.06	2	0.02
N.W.T.	3	0.04	7	0.07	-	-	-	-	-	-
Total	7,508	100%	9,249	100%	8,387	100%	3,128	100%	11,515	100%

Notes:

- Denotes no employment creation or retention.

0.00 denotes that although the entrepreneur has not created any jobs, some are being retained and *vice versa*.

Sources: Department of External Affairs, MASENT unpublished data base reports, 24 July 1986 (for 1984), 22 January 1986 (1985) and 11 February 1987 (1986).

Table 16: Total Jobs Created and Retained, 1984 - 1986, by Province

Province	Jobs Created and Retained	
	No.	%
Ontario	14,345	50.74
Quebec	4,302	15.22
British Columbia	5,952	21.05
Alberta	1,990	7.03
Manitoba	818	2.89
Saskatchewan	461	1.63
Nova Scotia	180	0.64
New Brunswick	138	0.49
Prince Edward Island	44	0.16
Newfoundland	3	0.01
Yukon	29	0.10
North West Territories	10	0.04
Total	28,272	100%

Source: Table 15.

Table 17: Comparative Employment Data, Canada, 1981 - 1990

Province	Employed 1985	Employed 1986	Unemployed 1985	Unemployed 1986	Loss[a] 1981-84	Unemployment Rate (%) 1986	Unemployment Rate (%) 1990
Newfoundland	176	181	48	45	24	20.0	17.5
Prince Edward Island	51	52	8	8	--	13.4	12.8
Nova Scotia	337	344	54	53	25	13.4	13.1
New Brunswick	258	267	46	45	24	14.4	12.7
Quebec	2,804	2,866	376	356	290	11.0	10.9
Ontario	4,402	4,555	385	342	294	7.0	7.2
Manitoba	480	493	43	41	34	7.7	5.1
Saskatchewan	452	457	40	38	27	7.7	6.0
Alberta	1,123	1,146	126	125	132	9.8	9.0
British Columbia	1,228	1,274	203	183	147	12.6	13.0
Canada	11,311	11,634	1,328	1,236	998	9.6	n.a.

Notes:

All data, except where indicated, are in thousands.

n.a. Denotes no information available.

a. "Loss" refers to total number of full-time jobs lost between 1981-1984, in thousands.

-- Number too small to be significant.

Sources: 1981-1984: Picot and Wannell 1987, 136.

1985-1986: Webber 1987, 96-97.

1990 projection: Employment and Immigration, Policy and Program Development Branch 1987b, 8.

Table 18: Provincial Preferences for Types of Businesses to be Established by Entrepreneur Immigrants

Preferences	Non-preferences
ALBERTA	
- manufacturing	
- energy	
- high technology	
SASKATCHEWAN	
- manufacturing	
- technology	
- exports	
- tourism	
- rural benefits	
MANITOBA	
- manufacturing	- grocery stores
- technology	- gift shops
- exports	- bakeries
- tourism	- restaurants (small)
- rural benefits	- travel agencies
	- import/export
ONTARIO	
- manufacturing*	- construction
- high technology*	- retail stores (small)
- exports*	- fast food outlets
- tourism	- import/export
- rural benefits	
NOVA SCOTIA	
- manufacturing	- retail stores (small)
- high technology	- franchises (small)
- ocean-related	
NEW BRUNSWICK	
- small-scale manufacturing	
- tourism	
NEWFOUNDLAND	
- manufacturing	- restaurants
- secondary processing	- retail stores
- service sector	- import/export
- high technology	- franchises (small)
- tourism	- travel agencies
- exports	- speculative real estate purchases
	- motels (small)
PRINCE EDWARD ISLAND	
- manufacturing	
- food processing	
- service sector	
- ocean-related	
- high technology	
- pharmaceuticals	

Note:

Provinces not mentioned have not recorded their preferences.

* Ontario prefers manufacturing, high technology and exporting industries which create or maintain a minimum of five additional jobs.

Sources: Wong, Schutz and Crone 1985, 46; Employment and Immigration 1986c, IS 5.64 (including updates for January to March 1987).

Table 19: Entrepreneur Immigrants' Job Creation, by Industrial Sector, 1979 - 84

	Montreal	Toronto	Winnipeg	Edmonton	Calgary	Vancouver	Total
1. Full-time							
Goods-producing industries	176	276	15	73	11	143	694
Services-producing industries	222	271	514	103	97	1,922	3,129
Total	398	547	529	176	108	2,065	3,823
G/S	0.79	1.02	0.03	0.71	0.11	0.07	0.22
2. Part-time							
Goods-producing industries	7	34	11	4	4	23	83
Services-producing industries	70	74	1,420	44	30	73	1,711
Total	77	108	1,431	48	34	96	1,794
G/S	0.10	0.46	0.01	0.09	0.13	0.32	0.05
3. Total [a]							
Goods-producing industries	183	310	26	77	15	166	777
Services-producing industries	292	345	1,934	147	127	1,995	4,840
Total	475	655	1,960	224	142	2,161	5,617
G/S	0.63	0.90	0.01	0.52	0.12	0.08	0.16
4. Total [b]							
Goods-producing industries	179.5	293.0	20.5	75.0	13.0	154.5	735.5
Services-producing industries	257.0	308.0	1,224.0	125.0	112.0	1,958.5	3,984.5
Total	436.5	601.0	1,224.5	200.0	125.0	2,113.0	4,720.0
G/S	0.70	0.95	0.02	0.60	0.12	0.08	0.18

Notes:

a. Assumes each part-time job can be added directly to the number of full-time jobs (i.e., = 1.0 full-time).

b. Assumes each part-time job counts as 0.5 of a full-time job.

G/S Ratio of goods-producing jobs to services-producing jobs (as defined in Table 21).

Source: Wong, Schutz and Crone 1985, 65.

Table 20: Entrepreneur Immigration: Visa Data by Industry, 1986

Industry (by SIC divisions)	Province/Territory											
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Total
1. Jobs to be created												
Goods-producing industries	0	0	82	1	795	1,986	34	28	349	1,150		4,425
Services-producing industries	2	10	5	12	1,113	1,487	112	25	239	957		3,962
Total	2	10	87	13	1,908	3,473	146	53	588	2,107		8,387
G/S[a]	0.00	0.00	16.40	0.08	0.71	1.34	0.30	1.12	1.46	1.20		1.12
2. Jobs to be retained												
Goods-producing industries			8		66	1,261		9	196	346		1,886
Services-producing industries			2	10	70	858	27	13	25	235	2	1,242
Total			10	10	136	2,119	27	22	221	581	2	3,128
G/S			4.00	0.00	0.94	1.47	0.00	0.69	7.84	1.47	0.00	1.52
3. Total Funds ($Can. 000s)												
Goods-producing industries			2,726	500	138,069	294,032	1,429	4,678	15,216	136,811		593,461
Services-producing industries	242	94	1,922	1,196	191,820	216,508	11,732	5,445	43,863	136,477	150	609,449
Total	242	94	4,648	1,696	329,889	510,540	13,161	10,123	59,079	273,288	150	1,202,910
G/S	0.00	0.00	1.42	0.42	0.72	1.35	0.12	0.86	0.35	1.00	0.00	0.97
4. Number of Principal Applicants												
Goods-producing industries			8	1	185	376	4	10	35	204		823
Services-producing industries	1	1	3	5	326	310	35	20	61	187	2	951
Total	1	1	11	6	511	686	39	30	96	391	2	1,774
G/S	0.00	0.00	2.67	0.20	0.57	1.21	1.14	0.50	0.57	1.09	0.00	0.87
Average G/S	0.00	0.00	6.12	0.18	0.74	1.34	0.39	0.79	2.56	1.19	0.00	1.12

Note:

a. Ratio of goods-producing industries to services-producing industries. The average G/S is derived from the four individual figures for G/S.

Source: Tables 21 to 23 and 31.

Table 21: Number of Principal Applicants, By Industry, 1986

Industry (by SIC divisions)	Province/Territory											
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Total
A Agricultural & Related Service Industries					11	24		1	1	18		55
B Fishing & Trapping Industries			1							3		4
C Logging & Forestry Industries			2							1		3
D Mining (including Milling), Quarrying & Oil Well Industries					2	2						4
E Manufacturing Industries			4		137	312	4	9	28	166		660
F Construction Industries			1	1	35	38			6	16		97
G Transportation & Storage					4	5			1	4		14
H Communication & Other Utility Industries					1				1	1		3
I Wholesale Trade Industries			1		85	60	1		6	37		190
J Retail Trade Industries				3	104	61	17	10	19	54		268
K Finance& Insurance Industries			1		9	8			3	1		22
L Real Estate Operator and Insurance Agent Industries					22	2				3		27
M Business Service Industries					16	22	1	1	8	17		65
N Government Service Industries					2	3						5
O Educational Service Industries						4	1			1		6
P Health & Social Service Industries					1	5			2	5		13
Q Accommodation, Food & Beverage Service Industries	1	1	1	2	59	108	11	4	10	45	2	244
R Other Service Industries					23	32	4	5	11	19		94
Total	1	1	11	6	511	686	39	30	96	391	2	1,774

Note:

Industrial classification is according to the *Canadian Standard Industrial Classification for Companies and Enterprises, 1980* (Statistics Canada, 1986). SIC divisions A to F inclusive are goods-producing industries, G to R inclusive are services-producing industries (Moloney 1986, 121).

Source: Department of External Affairs, MASENT unpublished data report for 1986 (19 February 1987).

Table 22: Jobs to be Created, By Industry, 1986

Industry (by SIC divisions)	Province/Territory											
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Total
A Agricultural & Related Service Industries					14	57			25	53		149
B Fishing & Trapping Industries			1							5		6
C Logging & Forestry Industries			4							5		9
D Mining (including Milling), Quarrying & Oil Well Industries					14	3						17
E Manufacturing Industries			74		686	1,778	34	28	309	944		3,853
F Construction Industries			3	1	81	148			15	143		391
G Transportation & Storage					29	12			1	8		50
H Communication & Other Utility Industries					1				2	7		10
I Wholesale Trade Industries			2		295	211	4		18	147		677
J Retail Trade Industries				2	254	218	37	11	64	202		788
K Finance & Insurance Industries			1		9	20			4	10		44
L Real Estate Operator and Insurance Agent Industries					136	5				9		150
M Business Service Industries					27	65	2	2	38	44		178
N Government Service Industries					4	21						25
O Educational Service Industries						39	1			8		48
P Health & Social Service Industries					1	21			10	18		50
Q Accommodation, Food & Beverage Service Industries	2	10	2	10	212	687	61	5	71	425		1,485
R Other Service Industries					145	188	7	7	31	79		457
Total	2	10	87	13	1,908	3,473	146	53	588	2,107		8,387

Notes and Sources given in Table 21.

Table 23: Jobs to be Retained, By Industry, 1986

Industry (by SIC divisions)	Province/Territory											
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Total
A Agricultural & Related Service Industries					1	22		2		2		27
B Fishing & Trapping Industries												
C Logging & Forestry Industries			1									1
D Mining (including Milling), Quarrying & Oil Well Industries												
E Manufacturing Industries			1		56	1,161		7	187	336		1,748
F Construction Industries			6		9	78			9	8		110
G Transportation & Storage						9						9
H Communication & Other Utility Industries												
I Wholesale Trade Industries					11	76			2	34		123
J Retail Trade Industries				4	18	325	23	3	11	42		426
K Finance & Insurance Industries												
L Real Estate Operator and Insurance Agent Industries					12					20		32
M Business Service Industries						43		8		44		95
N Government Service Industries												
O Educational Service Industries						10				1		11
P Health & Social Service Industries									6	2		8
Q Accommodation, Food & Beverage Service Industries			2	6	21	364	2	2	5	86	2	490
R Other Service Industries					8	31	2		1	6		48
Total			10	10	136	2,119	27	22	221	581	2	3,128

Notes and Sources given in Table 21.

Table 24: **Major Groups of Industries to be Established by Entrepreneur Immigrants, Ontario, 1986**

Industrial Group	Funds		Jobs Created		Jobs Retained		Entrepreneurs		SIC
	$000	%	No.	%	No.	%	No.	%	Code
Food Industries	13,781	6.0	109	6.1	44	3.8	24	7.7	E10
Beverage Industries	1,477	0.6	17	1.0	0	0	1	0.3	E11
Plastic Products	15,093	6.6	114	6.4	40	3.4	22	7.1	E16
Leather Products	8,064	3.5	54	3.0	8	0.7	11	3.5	E17
Textile Products	1,227	0.5	15	0.8	404	34.8	4	1.3	E19
Clothing Manufacture	55,909	24.5	593	33.4	190	16.4	85	27.2	E24
Wood Industries	1,487	0.7	13	0.7	0	0	3	1.0	E25
Furniture and Fixtures	14,341	6.3	40	2.2	28	2.4	16	5.1	E26
Paper and Paper Products	9,096	4.0	23	1.3	190	16.4	4	1.3	E27
Printing and Publishing	6,362	2.8	30	1.7	0	0	7	2.2	E28
Primary Metal Industry	2,472	1.1	1	0.1	0	0	1	0.3	E29
Fabricated Metal Products	15,924	7.0	97	5.5	10	0.9	22	7.1	E30
Machinery Industries	4,463	2.0	59	3.3	9	0.8	10	3.2	E31
Transportation Equipment	3,631	1.6	55	3.1	5	0.4	8	2.6	E32
Electric/Electronic Products	32,524	14.3	220	12.4	210	18.1	34	10.9	E33
Non-Metallic Mineral Products	1,995	0.9	29	1.6	0	0	5	1.6	E35
Refined Petroleum and Coal	380	0.2	30	1.7	0	0	1	0.3	E36
Chemicals and Chemical Products	4,833	2.1	63	3.5	14	1.2	12	3.8	E37
Other Manufacturing	34,969	15.3	216	12.1	9	0.8	42	13.5	E39
Totals	228,029	100.0	1,778	100.0	1,161	100.0	312	100.0	

Notes:

Funds are in Canadian dollars and are intended totals to be transferred; jobs created and jobs retained are intended totals of jobs to be created and to be retained.

SIC codes are from Statistics Canada 1986, 307-372.

Source: Department of External Affairs, MASENT unpublished data base report for 1986 (11 February 1987).

Table 25: **Compliance Record of Entrepreneur Immigrants on Funds Transferred, by Method of Admission, 1984[a]**

Degree of Compliance	Provisional No.	Provisional %	Unconditional No.	Unconditional %	Conditional No.	Conditional %
Number of entrepreneurs whose proposed funds transfer equals actual funds transferred	6	16	2	4	1	11
Number of entrepreneurs whose proposed funds transfer is less than actual funds transferred	8	22	22	38	1	11
Number of entrepreneurs whose proposed funds transfer is greater than actual funds transferred	23	62	33	58	7	78
Total	37	100%	57	100%	9	100%

Note:

a. Sample of 103 drawn for 1984, as determined by matching MASENT and survey sample records.

Source: Wong, Schutz and Crone 1985, 56.

Table 26: Estimated Funds Transferred to Canada by Business Immigrants, 1979 - 1986

	Estimated Total Funds Transferred ($ millions)	Estimated Number of Principal Applicants		Average Funds per Principal Applicant ($ millions)
		Landings	Visas	
1979	204	1,237	-	0.16
1980	360	1,558	-	0.23
1981	441	1,893	-	0.23
1982	667	2,040	-	0.33
1983	843	1,982	-	0.43
1984	817	-	2,094	0.39
1985	1,119	-	2,136	0.52
1986[a]	1,656	-	2,404	0.69
Totals	6,107	8,710	6,634	0.40

Notes:

Data for 1984, 1985 and 1986 are based on the numbers of visas issued in those years as opposed to the actual number of landings as in previous years. All data are for the entire business immigration program and are based on provisional totals for numbers of landings and visas (revised data on these are given in Table 3).

a. Includes data for investors.

Sources: Employment and Immigration 1985b, 21; Employment and Immigration, Policy and Program Development Branch 1986, 1; Employment and Immigration, Policy and Program Development Branch 1987a, Tables 1 and 7.

Table 27: **Total Funds to be Transferred by Entrepreneur Immigrants to Canada, 1984 - 1986 ($ thousands, Canadian)**

Province	Funds to be Transferred			Total, 1984-1986	
	1984	1985	1986	Funds	%
Newfoundland	-	180	242	422	0.01
P.E.I.	50	2,072	94	2,216	0.08
Nova Scotia	1,624	3,483	4,648	9,755	0.03
New Brunswick	1,944	6,972	1,696	10,612	0.04
Quebec	95,367	235,851	329,889	661,107	22.88
Ontario	333,741	461,277	510,540	1,305,558	45.18
Manitoba	35,632	26,601	13,161	75,394	2.61
Saskatchewan	20,124	26,312	10,123	56,559	1.96
Alberta	38,826	51,974	59,079	149,879	5.19
British Columbia	142,243	201,509	273,288	617,040	21.35
N.W.T.	55	87	-	142	0.00
Yukon	-	770	150	920	0.03
Total	669,606	1,017,088	1,202,910	2,889,604	100%
Average per Entrepreneur	562	598	678	711	

Note:

Data on funds are rounded to the nearest thousand dollars.

Source: Department of External Affairs, unpublished MASENT data reports for 1984 (8 June 1987), 1985 (22 January 1986 and 9 June 1987) and 1986 (19 February 1987).

Table 28: Department of Regional Industrial Expansion: Total Grants and Contributions by Province, 1985 - 86 ($ thousands, Canadian)

Province	$ thousands	%
Newfoundland	53,383	6.6
Nova Scotia	37,223	4.6
P.E.I.	28,017	3.9
New Brunswick	24,558	3.1
Quebec	315,042	39.2
Ontario	179,050	22.3
Manitoba	43,491	5.4
Saskatchewan	25,758	3.2
Alberta	14,505	1.8
British Columbia	38,827	4.8
Total[a]	803,681	100%

Notes:

a. Liabilities under the Small Business Loans Act of $43,827,000 (5.5% of total) are included in the total.

Source: Department of Regional Industrial Expansion 1986, 38.

Table 29: Average Amount of Funds to be Transferred per Entrepreneur, by Province, 1984 and 1986

Province	Average Funds per Entrepreneur 1984	1986
Newfoundland	-	242
P.E.I.	50	94
Nova Scotia	203	423
New Brunswick	243	283
Quebec	604	646
Ontario	549	744
Manitoba	502	337
Saskatchewan	530	337
Alberta	417	615
British Columbia	691	699
N.W.T.	55	-
Yukon	-	75
Canada	562	678

Note:

Average funds are in thousands of Canadian dollars per principal applicant and are rounded to the nearest thousand.

Source: Department of External Affairs, unpublished MASENT data reports for 1984 (8 June 1987) and 1986 (19 February 1987).

Table 30: **Average Net Worth of Entrepreneur Immigrants Granted Visas in 1984**

Net Worth per Entrepreneur	Number of Principal Applicants	%
up to $250,000	398	42
$251,000 to $500,000	249	27
$501,000 to $1 million	182	20
$1 million to $3 million	87	9
over $3 million	18	2
Total	934	100%

Note:

Tabulation based on entrepreneurs approved abroad between March and October 1984.

Source: Employment and Immigration, Policy and Program Development Branch 1985, 2.

Table 31: **Total Funds By Industry, 1986**
($ thousands, Canadian)

Industry (by SIC divisions)	Province/Territory											
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Total
A Agricultural & Related Service Industry					8,916	31,565		415	920	12,006		53,822
B Fishing & Trapping Industries			216							650		866
C Logging & Forestry Industries			600							120		720
D Mining (including Milling), Quarrying & Oil Well Industries					392	978						1,370
E Manufacturing Industries			1,625		93,845	228,028	1,429	4,263	11,508	112,787		453,485
F Construction Industries			285	500	34,916	33,461			2,788	11,248		83,198
G Transportation & Storage					9,744	2,619			251	2,988		15,602
H Communication & Other Utility Industries					300				370	525		1,195
I Wholesale Trade Industries			850		53,213	36,805	440		4,933	29,690		125,931
J Retail Trade Industries				651	47,849	48,141	4,695	2,327	6,719	29,498		139,880
K Finance & Insurance Industries			1,000		7,371	18,875			21,672	1,500		50,418
L Real Estate Operator and Insurance Agent Industries					29,229	1,950				4,777		35,956
M Business Service Industries					6,485	12,721	100	546	2,354	11,659		33,865
N Government Service Industries					840	1,595						2,435
O Educational Service Industries						2,495	395			220		3,110
P Health & Social Service Industries					120	5,131			576	4,859		10,686
Q Accommodation, Food & Beverage Service Industries	242	94	72	545	25,041	65,925	5,220	616	4,261	41,425	150	143,591
R Other Service Industries					11,628	20,251	882	1,956	2,727	9,336		46,780
Total	242	94	4,648	1,696	329,889	510,540	13,161	10,123	59,079	273,288	150	1,202,910

Notes and Sources given in Table 21.

Table 32: Intended Job Creation and Funds to be Transferred, by Post Abroad, 1984 - 1986

Post[a]	Jobs to be created No.	%	Jobs to be retained[b] No.	%	Funds to be transferred $000	%	Number of of cases[c] No.	%	Years of involvement[d]
Athens	42	0.17	0		3,037	0.11	9	0.19	4,5,6 X
France	846	3.36	11	0.35	103,666	3.59	147	3.15	4,5,6 X
Italy	199	0.79	13	0.42	31,080	1.08	32	0.69	4,5,6
Madrid	136	0.51	0		4,551	0.16	13	0.28	4,5,6
Lisbon	1	**			75	**	1	0.02	5 X
Belgrade	86	0.34	0		5,793	0.20	21	0.45	4,5,6
Vienna	118	0.47	5	0.16	45,781	1.58	30	0.65	4,5,6 X
Helsinki	26	0.10			2,164	0.07	6	0.13	5
Berne	52	0.21	5	0.16	20,525	0.71	21	0.45	5,6 X
Brussels	49	0.19	15	0.48	6,187	0.21	20	0.43	4,5,6 X
Bonn	2,423	9.64	640	20.46	296,238	10.25	406	8.70	4,5,6 X
Stockholm	180	0.76	7	0.22	7,439	0.26	16	0.34	4,5,6 X
The Hague	117	0.47	1	0.03	52,530	1.82	37	0.79	4,5,6 X
Copenhagen	45	0.18			1,322	0.05	3	0.06	4
Dublin	21	0.08	5	0.16	495	0.02	4	0.09	4,5,6
United Kingdom	1,070	4.25	117	3.74	102,506	3.55	179	3.83	4,5,6 X
EUROPE	**5,411**	**21.52**	**819**	**26.18**	**683,389**	**23.65**	**945**	**20.25**	
UNITED STATES	**3,857**	**15.34**	**979**	**31.30**	**230,839**	**7.99**	**553**	**11.85**	**4,5,6 X**
Mexico City	142	0.56	20	0.64	8,067	0.28	22	0.47	4,5,6 X
Guatemala City	84	0.33			7,200	0.25	3	0.06	4
San José	55	0.22	5	0.16	6,353	0.22	17	0.36	5,6 X
CENTRAL AMERICA	**281**	**1.12**	**25**	**0.80**	**21,620**	**0.75**	**42**	**0.90**	
Kingston	19	0.08			960	0.03	5	0.11	4,5 X
Port of Spain	207	0.82	33	1.05	19,571	0.68	44	0.94	4,5,6 X
Georgetown	14	0.06	0		1,390	0.05	3	0.06	5,6
Port au Prince	9	0.04	0		200	0.07	1	0.02	6
Bridgetown	12	0.05	0		932	0.03	2	0.04	6 X
CARIBBEAN	**261**	**1.03**	**33**	**1.05**	**23,053**	**0.80**	**55**	**1.18**	

Table 32: **Intended Job Creation and Funds to be Transferred, by Post Abroad, 1984 - 1986** (continued)

Post[a]	Jobs to be created No.	%	Jobs to be retained[b] No.	%	Funds to be transferred $000	%	Number of cases[c] No.	%	Years of involvement[d]
Bogota	192	0.76	9	0.29	14,746	0.51	27	0.58	4,5,6 X
Lima	15	0.06	10	0.32	2,487	0.09	2	0.04	6
Santiago	15	0.06	0		1,351	0.05	4	0.09	4,5,6 X
Buenos Aires	134	0.53	25	0.80	5,633	0.20	18	0.39	4,5,6 X
SOUTH AMERICA	**356**	**1.42**	**44**	**1.41**	**24,217**	**0.84**	**51**	**1.09**	
AUSTRALIA (Sydney)	**73**	**0.29**	**0**		**3,760**	**0.13**	**9**	**0.19**	**5,6 X**
Cairo	212	0.84	65	2.08	21,672	0.75	50	1.07	4,5,6 X
Nairobi	100	0.40	12	0.38	19,858	0.69	42	0.90	4,5,6 X
Abidjan	76	0.30	0		5,185	0.18	17	0.36	4,5,6 X
Pretoria	238	0.95	78	2.49	23,374	0.81	47	1.01	4,5,6 X
AFRICA	**626**	**2.49**	**155**	**4.96**	**70,089**	**2.43**	**156**	**3.34**	
Beirut	9	0.04			1,300	0.04	3	0.06	4
Tel Aviv	186	0.73	2	0.06	10,389	0.36	55	1.18	4,5,6
Damascus	120	0.48	0		13,501	0.47	51	1.09	4,5,6 X
Kuwait	328	1.30	4	0.13	36,213	1.25	85	1.82	4,5,6 X
New Delhi	15	0.06	5	0.16	360	0.01	5	0.11	4,5,6 X
Dacca	4	0.02			141	**	1	0.02	5
Colombo	1	**			1,350	0.05	1	0.02	5
Bangkok	3	0.01			215	0.01	1	0.02	5 X
Singapore	579	2.30	185	5.91	78,966	2.73	90	1.92	4,5,6 X
Hong Kong	11,295	44.92	684	21.87	1,549,350	53.62	2,273	48.71	4,5,6 X
Tokyo	105	0.42	24	0.77	11,734	0.41	20	0.43	4,5,6
Seoul	707	2.81	108	3.45	30,440	1.05	113	2.42	4,5,6 X
Manila	930	3.70	61	1.95	98,541	3.41	157	3.36	4,5,6 X
ASIA	**14,282**	**56.79**	**1,073**	**34.30**	**1,832,500**	**63.42**	**2,855**	**61.19**	
Grand Total	**25,147**	**100.00**	**3,128**	**100.00**	**2,889,467**	**100.00**	**4,666**	**100.00**	

Table 32: **Intended Job Creation and Funds to be Transferred, by Post Abroad, 1984 - 1986** (continued)

Notes:

** Denotes percentage too small for tabulation; all others are rounded up to two decimal places, so some totals may not add to 100%.

a. Data are tabulated by post, except in the cases of France, Italy, the United Kingdom and the United States, where totals represent the aggregation of a number of posts. These are Marseilles and Paris (France); Milan and Rome (Italy); Glasgow, Birmingham and London (U.K.); Chicago, New York, Boston, Buffalo, Detroit, Washington, Atlanta, Dallas, Minneapolis, Seattle, Los Angeles and San Francisco (U.S.A.). Of these, Marseilles and Paris, London, Atlanta, Buffalo, Chicago, Detroit, Los Angeles, Minneapolis, New York, San Francisco and Seattle had Business Development Officers in 1986.

b. This category was introduced into the data collection in 1986, following a change in the Regulations. A blank here indicates that no entrepreneur immigration visas were issued in this year, a zero indicates that although there were such visas issued, none involved the retention of jobs.

c. Number of cases includes all principal applicants in the entrepreneur immigrant program.

d. This column indicates the years for which data are recorded for each post, using the final digit of the year. Thus '4' denotes 1984, '5' 1985 and '6' 1986. Posts may be uninvolved because they have not issued any visas, or because their responsibility does not include business immigration. 'X' indicates that the post had a formally trained Entrepreneurial Development Officer in 1986.

Sources: Department of External Affairs, unpublished MASENT data base reports, 24 July 1986 (for 1984), 22 January 1986 (1985), 11 February 1987 (1986); Employment and Immigration 1985b, 19.

Table 33: Average Number of Intended Jobs to be Created and Retained, and Funds to be Transferred, by Post, 1984 - 1986

Post	Jobs to be created per case	Jobs to be retained per case[a]	Funds to be transferred per case ($000)
Athens	4.67 *	0.00 *	337.44 *
France	5.76	0.13	705.21
Italy	6.22	1.86 *	971.25
Madrid	10.46	0.00 *	350.08
Lisbon	1.00 *	--	75.00 *
Belgrade	4.10	0.00 *	275.86
Vienna	3.93	0.36	1,526.03
Helsinki	4.33 *	--	360.67 *
Berne	2.48	0.36	977.38
Brussels	2.45	1.07	309.35
Bonn	5.97	5.71	729.65
Stockholm	11.25	0.88 *	464.94
The Hague	3.16	0.10 *	1,419.73
Copenhagen	15.00 *	--	440.67 *
Dublin	5.25 *	2.50 *	123.75 *
United Kingdom	5.98	1.54	572.66
EUROPE	**5.73**	**2.35**	**723.16**
UNITED STATES	**6.97**	**4.51**	**417.43**
Mexico City	6.45	2.86 *	366.68
Guatemala City	28.00 *	--	2,400.00 *
San José	3.24	0.38	373.71
CENTRAL AMERICA	**6.69**	**1.25**	**514.76**
Kingston	3.80 *	--	192.00 *
Port of Spain	4.70	1.18	444.80
Georgetown	4.67 *	0.00 *	463.33 *
Port au Prince	9.00 *	0.00 *	200.00 *
Bridgetown	6.00 *	0.00 *	155.33 *
CARIBBEAN	**4.75**	**1.03**	**419.15**
Bogota	7.11	0.82	657.26
Lima	7.50 *	5.00 *	1,243.50 *
Santiago	3.75 *	0.00 *	337.75 *
Buenos Aires	7.44	3.13 *	312.94
SOUTH AMERICA	**6.98**	**2.00**	**474.84**

Table 33: Average Number of Intended Jobs to be Created and Retained, and Funds to be Transferred, by Post, 1984 - 1986 (continued)

Post	Jobs to be created per case	Jobs to be retained per case[a]	Funds to be transferred per case ($000)
AUSTRALIA (Sydney)	**8.11** *	**0.00** *	**417.78** *
Cairo	4.24	2.71	433.44
Nairobi	2.38	0.44	472.81
Abidjan	4.47	0.00 *	305.00
Pretoria	5.06	2.69	497.32
AFRICA	**4.01**	**1.87**	**449.29**
Beirut	3.00 *	--	433.33 *
Tel Aviv	3.38	0.13	188.89
Damascus	2.35	0.00 *	264.73
Kuwait	3.89	0.13	426.04
New Delhi	3.00 *	5.00 *	72.00 *
Dacca	4.00 *	--	141.00 *
Colombo	1.00 *	--	1,350.00 *
Bangkok	3.00 *	--	215.00 *
Singapore	6.43	4.51	877.40
Hong Kong	4.97	0.86	681.63
Tokyo	5.25	2.67 *	586.70
Seoul	6.26	1.57	269.38
Manila	5.92	0.84	627.65
ASIA	**5.00**	**1.03**	**641.86**
Grand Total	**5.39**	**1.76**	**619.26**

Notes:

All funds to be transferred are expressed in Canadian dollars.

* Denotes 10 or fewer cases involved.

a. This category was introduced in 1986. The average number of jobs to be retained is therefore calculated on the basis of 1986 data only. A blank here indicates no entrepreneurial immigration visas were issued in 1986; a zero denotes that while there were such visas issued in this year, none involved the retention of jobs.

Sources: Table 32; Department of External Affairs, unpublished MASENT database report for 1986 (11 February 1987).

Table 34: **Provincial Distribution of Intended Entrepreneur Economic Activity, by Selected Post, 1984 - 1986**

Province	U.S.A.		France		Bonn		Hong Kong	
	Jobs[a]	Funds[b]	Jobs	Funds	Jobs	Funds	Jobs	Funds
	%		%		%		%	
British Columbia	21.9	22.3	4.3	6.7	35.2	29.6	17.1	19.2
Alberta	9.4	3.6	0.2	1.0	7.0	4.0	7.1	5.7
Saskatchewan	0.7	1.1	-	-	0.7	1.4	3.0	2.8
Manitoba	5.3	4.3	-	-	1.1	0.7	4.2	3.2
Ontario	47.8	46.2	8.8	8.0	46.4	56.6	54.7	44.4
Quebec	12.8	20.4	85.9	83.8	4.1	4.7	13.6	24.7
New Brunswick	0.2	0.3	0.5	0.3	3.3	2.4	0.1	-
Nova Scotia	1.6	1.3	0.4	0.1	1.2	0.5	0.1	0.1
P.E.I.	-	-	-	-	0.2	0.1	-	-
Newfoundland	0.1	0.7	-	-	-	-	-	-
Yukon	-	-	-	-	0.7	0.1	-	-
N.W.T.	0.2	0.0	-	-	0.1	0.0	-	-

Notes:

Data are by posts as defined in Table 32.

a. Jobs to be created by entrepreneur immigrants as percentage of total.

b. Funds to be transferred by entrepreneur immigrants as percentage of total, calculated in Canadian dollars.

Sources: Department of External Affairs, unpublished MASENT data base reports, 24 July 1986 (for 1984), 22 January 1986 (1985), 11 February 1987 (1986).

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1987

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87.A.1	Some Observations on Demography in Selected Macroeconometric Models of Canada	R.G. Bodkin & K. Marwah
87.A.2	Population Change and the Canadian Economy: A Survey of the Issues	F.T. Denton & B.G. Spencer (a)
87.A.3	Population Change and the Future Labour Force: A Discussion Paper	F.T. Denton & B.G. Spencer (b)
87.A.4	Population Aging and Government Deficits in Canada	D.K. Foot (a)
87.A.5	Population Aging and the Canadian Labour Force	D.K. Foot (b)
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